Fooling With Fraud (Page 11)

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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

ENLARGED MINING SECTION A WEEKLY FEATURE PAGES 18-20

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The.... Nation's Business

Empire Preference Under Analysis

"An Oasis of Economic Sanity"

Housing Problem — Social and Economic

What Are Plans of Wheat Czar?

Ottawa Agreements Proving Their Worth

THE final verdict on the Ottawa Agreements for the extension of Empire preference will be written by history but any tentative investigation must result in a word of approval.

The most complete survey of the results yet made is that of Sir George Schuster, who was a recent visitor to Canada. In "A Preliminary Reconnaissance" published as a special supplement to the Economist of London, Sir George surveys Empire trade before and after Ottawa. He gives comparative figures for four different years, one a representative pre-war year, one a representative post-war year, a slump year "pre-Ottawa" and a slump year "post-Ottawa." His figures are most complete but a few relating to Canada may be selected for quotation.

In 1931, Canada's imports from the United Kingdom were 18.3 per cent of her total imports. In 1933, they were 24.10 per cent.

Our imports from the Empire as a whole were 25.5 and 32.4 per cent respectively.

Factors other than the Ottawa agreements had much to do with this very large increase in our importations from British countries, and particularly from Great Britain, but a most important element was the additional preferences granted at Ottawa.

The Ottawa Agreements have not only enabled Canada to buy more from the Empire but they have enabled us to sell much more to the Empire. The percentage of our total exports taken by Great Britain increased from 30.0 in 1931 to 39.1 in 1933, and our total percentage of exports to British countries increased from 37.5 to 47.7 per cent.

* * *

SIR GEORGE SCHUSTER, on the basis of his exhaustive study, has some recommendations to make. One is a more uniform treatment of the trade statistics of the different countries of the Empire. Another is that there should be permanent machinery for consultation between the various Empire countries. He feels that the chances of developing a concerted policy must be reduced if there is joint discussion only every four years at Imperial conferences.

His chief conclusion is that the Empire Countries are helping to break down the world-wide trend toward self-sufficiency behind excessive tariff barriers. Sir George asks:

"Cannot the Empire countries make an oasis of comparative economy sanity which will serve as an example to the rest of the world and gradually attract others into its orbit?"

* * *

SIR GEORGE urges a further development within the Empire of the machinery of finance working through the granting of loans from the highly developed to the less developed countries. He touches upon a point of distinct interest to Canada here. One of the reasons why Canada has purchased so much from the United States is the willingness of the American people to pour capital into this country. British capital has come into Canada in only a very limited degree since the war and in order for us to pay interest on pre-war British investments here, to pay shipping and insurance costs, it is necessary for us to have a distinct credit balance of trade with the mother country.

This necessity would not be so obvious if British capital were coming in here for development.

* * *

Economic Medicine vs. Social Reform

THE idea expressed in the second article on "Housing in Canada" on another page of this issue is that slum conditions can best be remedied in economic fashion and without increasing public debt by removing all the moratoria and other legislation which stand in the way of a business revival. It states that a building revival is more

(Continued on page 2, col. 3)

See End Algoma Cons. As Bondholders Ready To Operate Steel Plant

Huge Corporation Prepares to Relinquish Main Subsidiary

$40,000,000 IN BONDS

Seven Directors Including R. Home Smith, President, Resign—Reorganization Algoma Steel Impending

It looks like the end of the road for Algoma Consolidated Corporation.

In his annual report last year, R. Home Smith, president of the giant corporation, stated that the future of the enterprise depended to a great extent upon Algoma Steel Corp.

In the annual report, just issued, covering the fiscal year ended March 31, 1934, H. H. Johnstone, secretary, states with regret "that prospects for any realization from the principal assets of the company, its ownership and control of the shares of Algoma Steel, are increasingly remote."

Born in Depression

Algoma Consolidated Corp. was born during the depression, being incorporated in March 1931 to effect a reorganization of Lake Superior Corp. and its subsidiaries in order to wipe out arrears of bond interest and dividends.

It nominally controls steel mills, docks and rail terminals at Sault Ste. Marie, the Algoma Central Railway, lands in Northern Ontario and coal mines in West Virginia. Disregarding the common and preferred stocks, bonds and mortgages outstanding on the various subsidiaries and the parent holding corporation total close to $40,000,000.

Control of the subsidiaries is largely held through ownership of the majorities of the common stock. But difficulties in recent years have put bondholders in virtual charge of the more valuable companies and pending reorganization of Algoma Steel, by far the biggest and most important of the group, this indicates permanent relinquishment of control by Algoma Consolidated.

Properties

Algoma Consolidated through the ownership of 95 per cent of the common shares controls Lake Superior Corp. The latter was incorporated in 1904 in New Jersey as a holding company to control Algoma Steel which operates the steel mills at the Soo, two coal mines in Virginia, a limestone quarry in Michigan and various other allied units. Subsidiaries of Lake Superior also include the Northern Ontario Lands Corp. which holds about 140,000 acres of land along with, and formerly owned by, the Algoma Central Ry. All of the common and preferred stock of Algoma Steel Corp. is held by Lake Superior and Algoma Consolidated. A small second mortgage bond issue and more than two thirds the common shares of the Algoma Central Railway are owned by Algoma Consolidated while the railway in turn owns all of the common stock in Algoma Central Terminals.

Capitalization of the various companies showing the amount of bonds and stocks outstanding are as follows:

ALGOMA CONSOLIDATED CORP.
Capitalization as at March 31, 1933

5% cum. income bonds of 1959	*$3,092,550
7% cum., redeem., pref., par $5	1,909,595
Common, n.p.v.	581,919 shs.

LAKE SUPERIOR CORP.
Capitalization as at June 30, 1933

5% 1st mtge. & coll. bonds of 1944	$5,278,000
Common, n.p.v.*	400,000 shs.

The company has also guaranteed principal and interest on the bonds of Algoma Steel Corp.

*Nearly all owned by Algoma Cons. Corp.

ALGOMA STEEL CORP.
Capitalization as at June 30, 1933

5% purchase money bds., 1944	$5,800,000
5% 1st mtge. bonds, 1962	*14,341,453
Pref., 7% cum., par value $100†	10,000,000
Common, par value $100†	15,000,000

*In addition, $5,996,984 are held for sinking fund and $1,809,563 pledged as security against temporary advances.

†Two-thirds owned by Lake Superior Corp. and one third by Algoma Consolidated Corp.

ALGOMA CENTRAL & HUDSON BAY RLY. CO.
Capitalization as at December 31, 1932

5% 1st mtge. income bonds	*$6,185,100
6% 2nd mtge. income bds., 1964	†318,800
5% Non-cum. redeem. pref., par $4	500,800
Common, par value $10	‡4,207,550

*Balance of issued ($4,123,400) owned by Algoma Consolidated Corp.

†All owned by Algoma Consolidated Corp.

‡214,585 shares held in trust for Algoma Consolidated Corp., but a bondholders' committee will continue to operate the company until interest has been paid on the new securities for three consecutive years.

ALGOMA CENTRAL TERMINALS
Capitalization as at December 31, 1932

5% 1st mtge. bonds, due 1959	$615,540 ($2,995,628)
Common, par value $100†	100,000

†All owned by Algoma Central & Hudson Bay Railway Co., except directors' qualifying shares.

Directors Resign

The annual general meeting of Algoma Consolidated has been called for Dec. 6, 1934, at Toronto. This will be followed by a special meeting of the shareholders to ratify a reduction in the number of directors and the removal of the head office from Charlottetown P.E.I. to Toronto. Although the report just issued makes no mention of the fact, it appears that R. Home Smith, former president resigned during the year along with the following directors: F. L Atkinson, Herbert Duern, George H. Lang and J. S. Masson, all of Toronto, and Radcliffe Cheston

(Continued on page 2, col. 5)

Says Coast Mills To Follow I. P. Lead

From Our Own Correspondent

VANCOUVER. — Pacific coast newsprint mills will probably fall in line with International Paper and other eastern producers in establishing price increases for 1935 delivery, although they have not definitely committed themselves to a policy, according to A. E. McMaster, general manager of Powell River Co., leading coast producer.

Referring to reports in The Financial Post that his company had closed 1935 contracts at the old price, Mr. McMaster said that this applied only to the Southwest States, where newspaper revenues had suffered severely as a result of drought conditions. "I would be surprised if the coast mills did not follow the eastern lead," said Mr. McMaster.

HIRAM WALKER STORED SPIRITS NEEDED IN U. S.

Official Says Blending Operations Alone Would Require Whole Amount

BARCLAY SALES UP

An official of a company having close relations with Hiram Walker-Gooderham & Worts, was asked if the Canadian company would have difficulty in getting across the line the 8,000,000 Imperial proof gallons of alcohol which the general manager says will be exported. He replied that the American company could use the whole amount in the next three or four years in blending operations alone. He did not believe Walker's would have a dollar of that matured alcohol for sale to other distilling interests. They would need it all while building up inventories of aged liquor in the warehouses at Peoria. Disappointment is expressed at Secretary of the Treasury Morgenthau's statement that there would be no reduction in the tariff. U. S. revenue officials have advised such reduction to aid in fighting the bootlegger.

Barclay Does Well

Shareholders and other investors receiving a copy of the annual report of Hiram Walker-Gooderham & Worts noticed the name of James Barclay & Co., Niagara Falls, for the first time in the list of subsidiaries. This company has really been controlled for nearly four years by Walker's but its interest has hitherto been shown as an investment and the name of the company has not appeared.

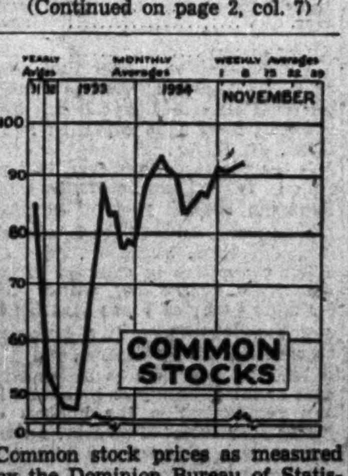
It is understood that this subsidiary has been a profitable part of the Canadian business of Hiram Walker and its brands have sold well through the liquor control boards of Ontario and Manitoba. The brands shown on the annual statement are Barclay's Royal Canadian Rye, Special Old Rye, Choice Old Rye, Deluxe Canadian Rye, Deluxe Canadian Bourbon, Rare Old Highland Liquor, Barclay's London Dry Gin and Abbot's London Dry Gin. It also markets these gin brands in the United States, one straight whisky and three blended whiskies.

The company was bought by Walker's in 1930. It was formerly Peninsular Distillers and its plant was at Niagara Falls. It was formed into Jas. Barclay & Son with J. A. Grant as vice-president and Col. R. A. MacFarlane as director and active in the business management. Another director was James Barclay of Glasgow, Scotland. It is understood that Walker's also controls branch concerns under the same name in London and Glasgow.

Sales Gain Rapidly

So far as Canada is concerned, though a subsidiary, Jas. Barclay & Son is operated independently. Sales of Hiram Walker and of Gooderham & Worts, chief subsidiaries,

(Continued on page 2, col. 7)



Common stock prices as measured by the Dominion Bureau of Statistics recovered in the week ended Nov. 8. Indices are tabulated on page 5.

BOLD INCREASE ENDS IMPASSE IN NEWS PRICE

Advances Price $2.50 First Half — Sets $5 as Maximum

OBSTACLES IN WAY

Other Producers Will Follow But Consumers' Attitude Unknown — Graustein Attacked

From Our Own Correspondent

MONTREAL—International Paper Co., has broken the deadlock existing between manufacturers and publishers by announcing a price increase on newsprint for 1935 deliveries.

For the past two months or more numerous moves have been made by the manufacturers to secure a better price for their product during the coming year. Each move was countered by another move on the part of the publishers. Premiers Hepburn and Taschereau, as well as the Federal Government, were dragged into the fight and it appeared that hopes of an amicable settlement of differences could not be accomplished in time to permit a price advance at the beginning of the year.

I. P. Steps Out

Affairs reached a stale-mate and International Paper took matters in its own hands by announcing a new price schedule, calling for higher prices on next year's deliveries.

In a letter to its customers, International said that for the first half of 1935 it would put in force a net increase of $2.50 a ton. For the last half of the year, the cost would not be increased more than an additional $2.50 a ton, making a net increase of $5 a ton more than at present. In the event of further inflation in the United States, however, it may be necessary to make a price adjustment over and above the maximum of $5 a ton as set forth in I. P.'s announcement.

At the moment, none of the Canadian manufacturers have taken any action on 1935 prices. It is definitely expected, however, that the majority will follow the example set by International.

Question Not Settled

Though International has taken the bull by the horns and announced a price increase, it is not certain that the new schedule can be made effective. There are two existing obstacles in the way of a general acceptance of the new price.

First is the decided opposition from the larger consumers of newsprint. Several attempts have been made to bring about a better understanding with Scripps-Howard and the Hearst organizations, but to date the manufacturers have not been successful.

These publishers take the stand that they can get newsprint at the existing level and will not pay any more.

They point to the fact that St. Lawrence Paper Mills recently entered into a contract to supply Scripps-Howard and Hearst with newsprint next year at the present level.

A Stumbling Block

Secondly, there is the matter of contracts. In years past the contract system was of undoubted value to the manufacturers, but in these days they constitute a heavy burden. The majority of the larger contracts are interlocking as to prices. If one publisher buys from a manufacturer, for example, the price paid for newsprint is not only regulated by the agreement with the manufacturer, but also by what other manufacturers charge their customers. Thus the action of St. Lawrence Paper Mills, and the reported action of Powell River, in signing up newsprint contracts for 1935 deliveries at existing prices, has created an awk-

(Continued on page 12)

Week's Figures Feature Higher Exports of Flour

Considerable improvement in flour exports was recorded in October over the previous month but the total failed to reach the level of Oct., 1933. Footwear production in September was lower than a year ago for the fourth consecutive month.

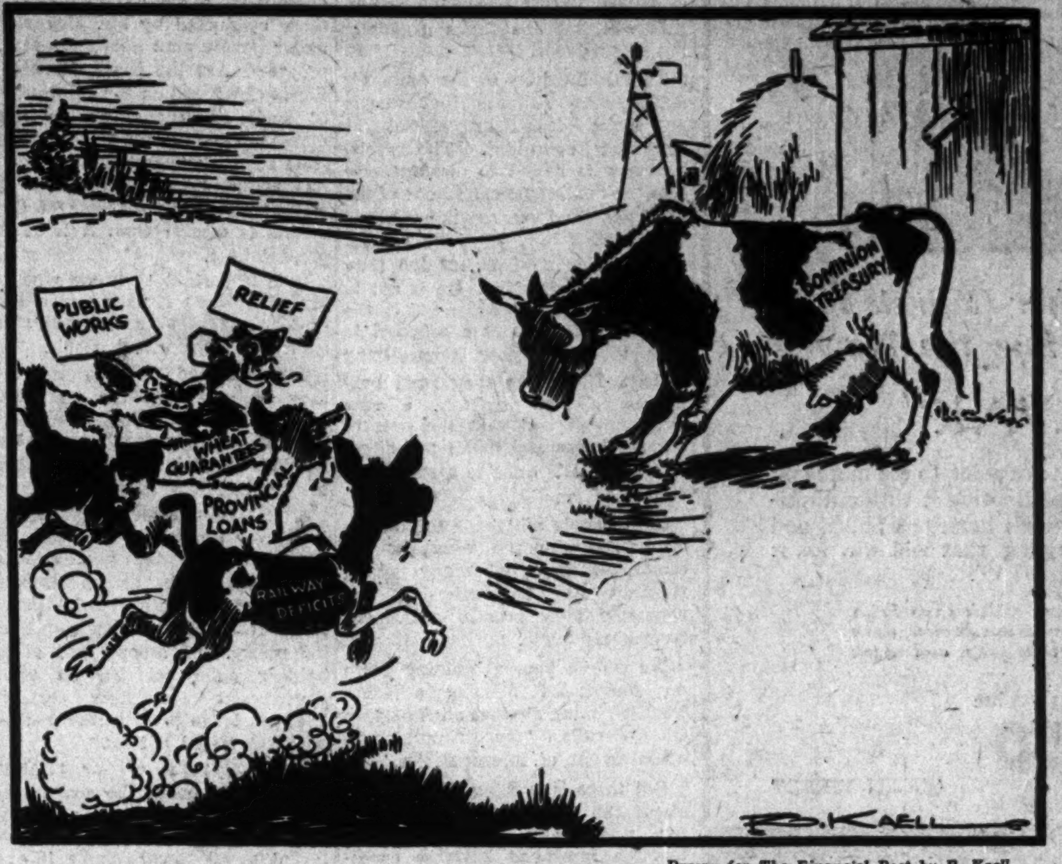
		Change From Prev. Period %	Change From Prev. Year %
Monthly	Oct. '34		
Flour exp., bbls.	485,549	+31.0	— 6.0
	Sept. '34		
Footwear prod., prs.	1,704,677	— 9.0	—16.0
Weekly*			
Car loadings, No.	51,967	— 5.6	+ 2.6

* Week ended Nov. 3.

New Toronto Defaults November 1 Interest

Town of New Toronto, Ont., defaulted interest on its debenture debt on Nov. 1. The town has been in default of principal since Oct. 1, 1933.

The town's debenture debt in the hands of the public totalled $1,506,103, last year. Its affairs are under the control of a board of supervisors.



—*Drawn for The Financial Post by R. Kaell.*

THE HUNGER MARCHERS

Reciprocity Pact Still in Embryo

As U.S. Experts Pursue Investigations Canada Names Committee

By KENNETH R. WILSON
Business Editor, The Financial Post

In Washington, a world-wide treasure hunt is on the move.

The prize is the six billion dollar item of foreign trade "lost, strayed or stolen" from the United States since 1929.

In that year, U.S.A. ranked as the leading trading nation of the world with a total of $9,500,000,000.

This was almost one-seventh of the foreign trade of the world.

By 1933, the U.S. total had slipped below the $3,000,000,000 mark which meant sacrificing its position as first trading nation and also a much smaller share (proportionately) of world trade.

Even the substantial improvement of 1934 still leaves trade volume at less than half the 1929 figure and indeed less than half the average for the years 1923-5.

Canada Vitally Concerned

No country is more interested in this subject than Canada. Normally, the exchange of merchandise between these two countries totals $1.3 billions annually.

Newspaper dispatches from Ottawa in the past few days have correctly deduced that a trade pact is under way between the two countries. They overlook the fact that similar negotiations are going on with at least a dozen countries and that as the situation now stands, nations with a normal U.S. trade of over $400,000,000, rank ahead of Canada in this huge trade treasure hunt.

Highlights of Plan

In brief, the situation is this:

(1) United States is definitely embarked on the most important move to expand foreign markets it has ever undertaken.

(2) For the first time in U.S. trade history, a definite, clear-cut, workable plan is in effect to carry out these negotiations.

(3) One pact with Cuba has already been signed and official negotiations are now being publicly conducted with five countries of central America, four European countries and with Brazil, Colombia and Haiti.

(4) Spade work is being done with a number of other countries, notable among which is Canada.

Following this article, The Financial Post's Ottawa correspondent tells of what Canada is doing to speed a trade pact with the U.S.

Caution Seems Probable

Conceivably, with the November elections behind him, Roosevelt may now press vigorously toward a completion of the Canada-United States negotiations.

On the basis of opinions expressed to me by high Washington officials, it seems more probable that the United States will move slowly and cautiously in its new policy and will continue a plan already definitely undertaken; namely build up favorable public opinion behind the Trade Reciprocity Act by a series of small agreements with secondary trading nations before tackling a major problem such as a Canada-U.S. pact. Some observers go so far as to suggest that a treaty with Canada is politically impossible at present.

So far the Chief Executive has not committed himself on foreign trade policy although two of his ablest lieutenants, Cordell Hull, secretary of state, and Henry A. Wallace, secretary of agriculture, have both come out vigorously in favor of rapid, clear-cut action on the part of the United States toward leadership in foreign trade expansion. It is interesting that the first monthly returns under the new Cuban pact show U.S. exports up 35 per cent; her imports up 11 per cent.

Trade Reciprocity Act

As one official told me:

"The Trade Reciprocity Act is one of the most significant pieces of legislation ever put into effect in the United States. It gives the president complete power to negotiate treaties with little or no limitations, for a period of at least three years. Longer if both sides are agreeable.

"Most people, even in the United States, do not realize how important this is. Therefore we must go slowly and build up a favorable atmosphere in order to make the most of this legislation. If we can show the tangible advantage of our new trade policy by concluding treaties where negotiations are comparatively simple, it will be much easier to undertake a treaty with Canada."

Ottawa Agreements

"Do the Ottawa agreements stand in the way of the Canadian negotiations?" I asked.

"Yes, for the kind of treaty we would like to make," was the reply. "That does not mean though that they will necessarily block a reciprocity pact or any treaty that may eventually be negotiated. The question cannot be answered until we know the scope of the actual negotiations the two countries will undertake."

On the other hand, the official Canadian viewpoint, as I understand it, is that the Ottawa agreements are no bar whatever to a Canada-U.S. pact. Canadians close to the negotiations believe that while the Ottawa pact covers a wide range of items there are plenty of loopholes in every classification with adequate scope for Canada-U.S. negotiations.

Canadian Politics

"Is our Canadian political situation a drawback," I enquired.

"We think not," was the answer. "We are prepared to negotiate with any political party. A Conservative administration at Ottawa might conceivably negotiate a treaty which if they were in opposition, they might easily oppose."

More Spade Work Needed

Until more "spade" work is done, it is of little use to attempt an estimate of what sort of treaty will be negotiated. One or two straws do, however, indicate which way the wind is blowing.

Thus it seems certain that with Canada (as with other countries) the United States will give favorable consideration to commodities which enter into construction and housing projects.

This means Canadian lumber is almost sure to get favorable consideration. The point here is that the United States is trying its best to inaugurate a monster housing and construction revival running into billions of dollars. A stumbling block is the high price of materials and one way to get lower costs is to negotiate for foreign supplies on favorable terms.

Liquor is almost certain of a place in the negotiations if the U.S. can withstand until then, the pressure to slice in half the present import tax of $5 a gallon on whisky.

Coal, I am told, is sure to be a major point of discussion. Already the United States has removed the countervailing duty on coal imports into the United States—a move which has definitely helped western Canada producers but has caused a howl from the western states. This may pave the way for the U.S. to revive the Eastern Canada anthracite coal market which has slipped badly from imports of 2,250,000 tons into Canada in 1930, to 90,000 tons in 1933.

Follow Definite Plan

The definite procedure followed under the new Trade Reciprocity Act is very important and may give a clue to subsequent developments between Canada and the United States.

First of all comes the so-called "study" period when most of the

(Continued on page 5)

Highlights of the week

Russia As Is

Eric G. Adams, young Canadian, spent a month in the land of the Soviets this fall. His unbiased impressions in a series of articles commencing with this issue. Page 8

Millions Sunk

Every year, states Norman Harris, crooked promoters get millions of dollars from the Canadian investors. He discusses the weaknesses of our fraud laws. Page 11

Sketches in Ink

Arthur Hewitt, 47 years on the job for Consumers' Gas . . . Richard Garvin Reid, young premier of Sunny Alberta . . . Arthur Rogers, secretary of Canadian Bankers Association. Page 3, 10, 12

Brokers Merge

U. S. A. brokers getting together in effort to reduce higher costs under new securities law. Page 8

Taxes and Deficits

Canada can and must cut the expenses of the C.N.R. if our tax burden is to come down. Page 11

Houses for Workers

A building boom cannot be based on slum clearance projects. Page 11

The Story of a Mine

The series carries on with something about surface work. Page 20

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CENTRAL BANK DIRECTOR RACE IS WIDE OPEN

Unofficial Sponsorship of Candidates Probable in Two Groups

GROUPS ORGANIZE

Gov't Favors Sponsorship so That Responsible Persons Will Be Chosen at Election

Race for directorships in the Bank of Canada is wide open; at least this is the superficial appearance of affairs.

Trade and vocational organizations, however, are working on ways and means of selecting responsible representatives from manufactures and commerce, from which field two directors will be selected, and from primary industries, which will have two directors. The other three directorships are open to all comers, within the terms of the Bank of Canada Act, and for this reason numerous nominations are expected. Candidates put up by trade and vocational groups will only be sponsored unofficially and are not likely to be designated as representatives of their sponsors.

Nominations will be received at Ottawa up to Dec. 5, and voting will take place Jan 23 at the shareholders' meeting. Ontario and Quebec have so many votes that they could elect the whole board.

Survey Shows Activity

A survey of the field by The Financial Post reveals that farmer organizations are actively interesting themselves in nominations. Farm bodies in the east and in the west are co-operating. George G. Coote, M.P., for Macleod, Alta., has been mentioned as a farmer candidate, but it would mean he would have to give up his seat. Mining men may also put a candidate in the field of primary industry. Lumbermen's organizations may also arrange a nomination.

In the field of manufacturing and commerce, it appears that organization will result in the nomination of at least two responsible persons. Solicitation of votes is possible in this field, so that unofficially sponsored candidates may have a better than even chance of obtaining the two directorships.

Vocations and Groups

There may be a question of vocation to be decided. For instance, James Miller Gilchrist, grain merchant, Winnipeg, holds 15 shares. His vocation is probably commerce, but he might also come under the primary industry group.

Mr. Gilchrist also holds 45 shares as trustee for his three children, his wife holds 15 shares and so does the Gilchrist Grain Co. Hector Cameron Nicholls of the Searle Grain Co., of which Mr. Gilchrist is vice-president, holds 15 shares, as do two other Nicholls in care of the same firm, a total of 45 shares. There is a block of 135 votes in the group. There are other similar instances of grouped votes.

The Financial Post is not suggesting that Mr. Gilchrist wants a directorship but cites him as a typical "senior" member of a group holding stock.

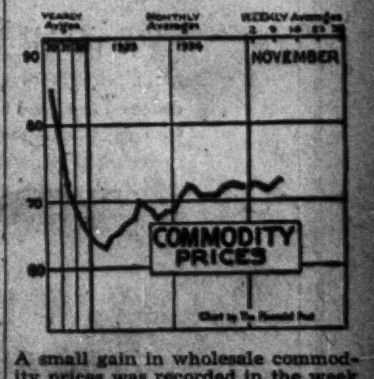
The third vocational group, from which three directors must be chosen, allows lawyers, doctors, editors, financiers, and others with varied vocations to run. The professional men do not appear to be organizing seriously. But there is ample scope for financial men, although investment bodies have not been actively organizing. Creditor organizations are understood to have discussed the matter of nominations, but are standing off, in some cases because of bank affiliations.

Bankers Views

Bankers are not eligible for directorships and bank officials are taking only an academic interest in the proceedings. "Our best protection is the governor's power of veto," one banker commented to The Post.

A broadening feature of the directorship race is the fact that persons not on the official shareholders list may acquire shares and become nominees. Moreover, any shareholder may nominate any seven eligible persons he chooses. A large number of candidates is, therefore, expected. Some of these will fall by the wayside for lack of sufficient nomination support. The individual and unofficially sponsored nominees, however, are expected to be in suffi-

(Continued on page 2, col. 5)



A small gain in wholesale commodity prices was recorded in the week ended Nov. 9, the index of the Dominion Bureau of Statistics rising to 71.3 from 71.1 in the previous week.

Adding Further Laurels to our Eatonia line the New

"GALYAK"

The "Galyak" is a hat you are going to see more and more, for Toronto men are adopting it with enthusiasm. The "Galyak" has a rich luxurious finish, and a smart distinction in styling that will win for it many admirers.

In medium or narrow width snap brim styles. In dark or medium brown, dark or medium grey, blue-grey and dark blue-grey.

"Eatonia" value

$4.50

MAIN FLOOR, QUEEN STREET

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U. S. TIRE RISE NOT FOLLOWED IN DOMINION

Canadians Defer Action Until Crude Rubber Price Situation Apparent

NO DISTRESS HERE

Tire manufacturers of Canada decided last week not to raise tire prices. The action of tire manufacturers in the United States in raising prices of tires an average of 18 per cent, it is stated, results from the uneconomic competition which has put the industry into a position where it has been having profitless operation at times and at others even selling distress merchandise below cost.

Under N.R.A. effort was made to stop price cutting last May by naming minimum tire prices at retail, but these prices have lapsed. The minimum prices tended to become the standard prices under this plan. This led to the recent increase by major producers who pointed out that it was forced on them because crude rubber prices were 400 per cent over their level of May, 1933, cotton up 160 per cent and wages up 30 per cent.

C. H. Carlisle, president Goodyear Tire & Rubber Co. of Canada, was asked if this phase of increased prices for raw materials was not bearing heavily on the Canadian companies. He replied that there had been some slight increase during the year in tire prices but that the industry in Canada had resisted the influences that had played havoc with prices in the United States.

Prices had been based on costs of raw materials and efficient operation and therefore the Canadian situation was not affected by what was done in the United States. A good product and a fair price would still be the governing factors in Canada. There was no wish to advance prices until the situation in the crude rubber market was plainer. The effort at world control of crude rubber production had been successful in putting the price higher and manufacturers would watch to see if under control stability in crude rubber prices would be attained. The Canadian industry had paid decent wages, had stabilized products and had given exceptional values to consumers by economies in manufacture that resulted from this harmony. It would continue to base prices on costs and in the long run that served the consumer best.

"In 1912 a tire 30 by 3½ sold for from $26 to $31 and 3,000 miles was a good mileage to get from it," said Mr. Carlisle. "Today the Canadian consumer can buy that tire at from $3.50 to $5 and it will give him a mileage anywhere from 25,000 to 30,000 miles."

Sales of Laura Secord Higher 1934 Fiscal Year

Total sales of Laura Secord Candy Shops for the fiscal year ended Sept. 30, 1934, amounted to $1,733,033 as compared with $1,642,270 for 1933, and a peak of $2,298,909 reached in 1929.

At the recent annual meeting of the company, Frank P. O'Connor, president, stated that while the poundage of candy has increased during the last two years the dollar volume of sales was still below the pre-depression level.

The company's subsidiary, Candyteria Ltd., it was reported, showed sales of 650,000 pounds valued at $188,176 from which net profits of $4,200 were derived.

Chambers & Co. Assigns Drops Exchange Seat

Reporting liabilities amounting to $4,651, William Thomas Chambers, trading under the name of Chambers and Co., brokers, Toronto, has made an authorized assignment for the general benefit of his creditors.

He also withdrew from membership on The Toronto Stock Exchange on November 8. This seat was transferred to the president of the exchange, Harold Franks, who holds it in trust.

Premier Trust Co. has been appointed custodian of the estate.

FOR YOUR CHILDREN

Most parents are anxious to give their children the best training possible. Even with small incomes, an education can be provided by making systematic deposits in a Savings Account for that purpose. With compound interest, Savings soon increase.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

likely to come from higher rents than from lower and that capital will only be encouraged when it sees prospects of a reasonable return on the money invested. It says as well that building of better houses as a result of higher rents will throw more habitable houses into a category of rents low enough to make them available for people now living in the slums. It argues that, with an active policy by authorities in condemning sub-standard houses, this will improve slums gradually out of existence.

That is the idea of the economic doctor who believes that people or social conditions cannot be reformed overnight. The social reformer is bound to disagree. He sees the deplorable conditions of the very poor and can see the working of economic law, aided by stricter municipal supervision, as too slow to meet the situation. He is apt to think of the views expressed in the article referred to as a proposal to give the very poor second-hand houses. He thinks they need new houses, a new outlook, a new environment and that the cost of doing all this and making it effective after it is done is a secondary matter.

Most people will have the utmost sympathy with the views of the social reformer but many wrong turnings may be avoided if the economic view is also considered from every angle.

We cannot base a building boom on state-aided housing schemes. That is aiming at what an American editor calls "the simultaneous achievement of incompatibles."

But there is nothing incompatible about the idea of building houses for profit and then providing, through improved business conditions that workers shall have the money to rent those houses.

For Whom Does Wheat Dictator Speak?

IT IS reported that John I. McFarland is engaged in working out a system of regulations which he desires to have imposed on the Winnipeg Grain Exchange, and which are likely to be so imposed by the Dominion Government.

No commodity market can be expected to operate normally while operations of the magnitude of those conducted by Mr. McFarland under government guarantee are in progress. Are the proposed regulations to be based on the continuance of such operations, or on their ultimate winding up? Those responsible for such operations are not to be accepted as authorities on markets until the outcome of their efforts is clearer than it is at the present time.

It is important to know whether Mr. McFarland is acting as a government agent or as general manager for the wheat pools. The latter have made it quite clear that they do not want the market to function, and nothing would suit them better than regulations which would make it impossible for wheat to be handled through ordinary channels, forcing the government to take over the whole business. The large revenues the pool elevator companies have drawn through storage of the grain held in Canada as the result of first their own holding policy, and second that of the holding policy carried on under government guarantees certainly does not leave them in the position of disinterested parties.

The ambiguity of the relations between the pools, the government and Mr. McFarland has been a matter of objection in the past, and recent developments make it even more desirable that it should be removed.

Bonusing the Poor to Stay Poor

FROM one of the experts attached to the Bruce committee in Toronto, we have received a letter in criticism of the comments made in The Nation's Business last week. A. F. W. Plumptre, who was partly responsible for editing the report, but was not a member of the committee, states that he is expressing his own opinions in his letter.

Mr. Plumptre says:

"In regard to the present policy of the British government regarding housing, your article does not fully represent the situation. You say 'but Britain's decision after painful experiences with State housing to rely upon private enterprise to relieve the problem of bad housing, is merely termed backsliding.' The report quotes a British official document regarding housing policies and it is clearly stated in this quotation that Great Britain is still concentrating public effort and money on the clearance of slum conditions.

"There is absolutely no foundation in fact for the suggestion which your article makes that Britain is relying on private enterprise to relieve slum conditions.

"The 'backsliding' to which the Report refers is simply that the subsidies given by the central government for the building of new houses in new areas have recently been withdrawn; but, to quote the report, Britain 'still stands staunchly behind the principle that local authorities are in duty bound to supplement the provision of houses by private enterprise.'"

* * *

MR. PLUMPTRE refers to a quotation from a British official document. We give it in full as taken from the Bruce report. The reference is to the British government's housing policy which is

"To concentrate public effort and money on the clearance and improvement of slum conditions, and to rely in the main on competitive private enterprise to provide a new supply of accommodation for the working classes—the provision by private enterprise to be supplemented, where necessary, by means of unsubsidized building by local authorities."

The comment of the Bruce report on this policy is

"It will be realized that this policy, in its increased reliance upon private enterprise and its refusal to help local authorities, represents in some degree a backsliding from the previous practice of the central government."

We fail to see wherein we misquoted or misinterpreted either the British government's policy or the Bruce report.

* * *

MR. PLUMPTRE calls attention to The Financial Post's "apparent misunderstanding regarding the possibility of providing, by private enterprise, suitable housing for the lowest paid workers."

He says:

"If there is one thing that I should have thought the Report made abundantly clear, it is that, neither in good times nor in bad, can the lowest paid workers such as unskilled laborers afford rents which will repay the construction of anything but the smallest, meanest and most jerry-built accommodation which, as the Report again makes clear, is certain, in time, to produce disease, delinquency, crime, increases of city taxes and also deterioration of assessment values and diminution of city revenues. You claim that the builders are ready to go ahead. One of the chief points of the Report is that without public assistance they cannot go ahead on the type of work which is most urgently necessary."

* * *

THE Bruce report did indeed endeavor to prove that the poorest paid laborers could not afford to rent any houses that could possibly be built at a profit today. The report says,

"Adequate housing cannot be provided at sufficiently low rentals because of the high cost of housing. This high cost has been due to the speculative element in the determination of land values, the wasteful methods employed in building, the inability of speculative builders to secure credit facilities at low rates and the excessive burden of taxation."

Public housing would enhance the speculative element in land values, as anyone who has studied what cities pay for property will realize.

It will greatly increase the wasteful methods employed in building. On the other hand it should be able to borrow money at much lower rates which would be an offsetting contribution.

But the Bruce report definitely urges provincial and federal contributions to the cost of new houses, and this simply means adding a further charge to the present "excessive burden of taxation."

The programme does not, in the ultimate analysis, offer any method for decreasing "the discrepancy between the cost of new housing and the amount the worker is able to pay." What the Bruce proposal involves is merely bonusing poor people to remain poor instead of attacking the problem of poverty at its deeper sources.

* * *

FINALLY Mr. Plumptre waxes sarcastic at our reference to wages in the building industry. He says:

"Your own solution to the problem, that of stimulating better times and thus better houses by the reduction of costs (among which you single out, with remarkable perspicacity, wage costs) is, of course, futile. The type of wage earner worst hit by the depression and unemployment is probably the semi-skilled or unskilled worker in the construction industries. I would congratulate the writer of your article on discovering that the way to improve the housing conditions of the lowest paid workers, who have been conspicuously unable to provide themselves with decent housing, is to reduce wages in the building and related trades and then leave the field of construction to private, profit-seeking enterprise."

* * *

WE AGREE with Mr. Plumptre that the type of wage earner worst hit by the depression and unemployment is probably the semi-skilled or unskilled worker in the construction industry. He is drawing practically no wages at all because so little building is going on. One reason why so little building is going on is that the costs of the building are out of line with prices generally. The rigidity of wages in the construction industry is one very definite reason why unemployment is high in those industries.

Mr. Plumptre's sarcasm is not to the point. He is concerned with the results of unemployment in the construction industry. The Financial Post is more concerned with the cause.

CENTRAL BANK DIRECTOR RACE IS WIDE OPEN

(Continued from page 1)

cient numbers to give shareholders a broad choice.

Seek Co-operation

From Our Own Correspondent

OTTAWA.—While comparatively simple machinery has been set up for election of directors of the Bank of Canada, it is apparent that the Government keenly desires the co-operation of all public, semi-public and economic organizations in the country to make certain that men of prominence in their various fields are ultimately chosen.

Of the seven directors, it has been decreed that two must belong to primary industries, meaning agriculture, mining, lumbering and fishing. Two must be drawn from the manufacturing industry or commerce. The other three must have other occupations.

While the Bank of Canada Act gave the provisional board of directors, or the Government, power to make certain that directors would be chosen from vocational groups, nothing in the statute ensures sectional or racial representation. Hence the Government's desire that organizations representing various industries should at once become active in finding the best available men. Failing such voluntary organization by these bodies, it may well be that ill-qualified directors will be chosen and that the central provinces who hold the bulk of the shares, may elect all seven directors and thus banish the West and the Maritimes from the council of the bank.

Group Organizing Needed

As a man must own at least 10 shares of stock to be eligible, and must be nominated by persons owning 250 shares, it is evident that effective organization can only become possible if large bodies such as the Manufacturers' Association, the lumbermen's associations, the various farmers' bodies, the mining association, etc., have complete lists of the shareholders.

To date, the identity of the shareholders has been made public in a spotty way. It is now announced that any responsible organization or group of citizens will be given a complete list on request. The only reason why the complete list has not been published broadcast is that the government does not want to facilitate the compilation of "sucker" lists.

Method of Election

The way in which the directors will be elected may be summarized as follows:—

Each shareholder has been given a complete list of fellow shareholders. He has been invited to send in nominations for directorships. The regulations provide that any shareholder may make seven nominations, but the nominees must possess the vocation qualifications referred to. All nominations must be received at Ottawa on or before Dec. 5. Thereafter the provisional directors will go over all the papers and compile a list of candidates. To qualify a man must own 10 shares and be supported by owners of 250 shares. If a nominee does not own 10 shares, he will be given the chance of buying the number required on the open market. He will not be automatically disqualified.

When the complete list of candidates has been made, provisional directors will have the names printed in ballot form and a copy will be mailed to each shareholder. Shareholders will mark the ballot and return it to Ottawa. Each one, of course, will have votes for seven men for each share he owns.

Result of Voting

The two primary producers who head their poll will be the directors in this field; the two manufacturers or commercial men with the greatest number of votes will succeed; the three others likewise. Their terms will be determined by the size of their individual votes. The two receiving the greatest number will serve for six years, the next two for five, the next two for four, and the seventh for three years.

Final figures on the distribution of the shares are as follows:—

	Shareholders	Shares Held
Prince Edward Island	64	601
Nova Scotia	598	5,124
New Brunswick	335	2,959
Quebec	3,255	26,013
Ontario	5,299	45,584
Manitoba	765	5,893
Saskatchewan	662	4,217
Alberta	424	3,143
British Columbia	744	6,402
Yukon and N.W.T.	6	64
Totals	12,147	100,000

Ontario Dominant

Out of 100,000 votes, Ontario will hold 45,584, or nearly a majority. Quebec comes second with 26,013, the West third and the Maritimes a poor fourth. It is quite evident that if the Ontario vote is organized behind Ontario men, the province is very likely to capture all seven directorships. A majority vote is not necessary and with the candidates of the other eight provinces splitting their vote, the outcome could scarcely be in doubt.

What has to be done, if the Government's wishes are to prevail, is for Ontario organizations to co-operate with those of other sections in picking suitable men and voting for them.

So far as the Government is concerned, there is no way in which the choice of candidates can be influenced nor, with so vast an electorate, the vote at large. If the Government would prepare an official "slate" and send it to the shareholders the position would be changed, but there is said to be no likelihood of this being done.

SEE END ALGOMA CONS. AS BONDHOLDERS READY TO OPERATE STEEL PLANT

(Continued from page 1)

and H. C. Coleman, both of Philadelphia, Pa.

Of the fourteen former members of the board but the following seven remain: E. B. Barber, E. Clarence Miller, J. Albert Homan, Gordon F. Perry, H. H. Johnstone, D. A. Rutherford, and Leonard E. Schlemm.

The company's balance sheet at March 31, 1934 remained practically unchanged with total assets of $16,697,357 as compared with $16,673,259 in 1933.

Company's Position

Liquid position as at the end of the fiscal year was weaker, working capital being $253,117 as against $263,987 as at March 31, 1933. Total current assets were $253,948 and consisted of cash, etc., $25,212; Dominion bonds, $224,313 ($230,425 market value) and accrued interest on bonds of $4,423. The only current liability was $831 accounts payable.

Investments in subsidiaries remained the same in each case with the exception of the Lake Superior Corporation, an increase in the holding of stock of 1,317 shares being shown. This increased the book value of such shares to $9,050,986 and caused a similar increase in outstanding common stock of the company. Deficit account was increased by $10,871 during the year to a total at the end of the year of $63,550.

Profit and Loss Account
Years Ended March 31

	1934 $	1933 $
Int. on invests.	10,976	13,925
Less: Loss on sale of investments	6,175	530
	4,801	13,395
Less: Gen. expenses	15,672	29,713
Deficit for year	10,871	16,318
Add: Prev. deficit	52,679	36,361
Deficit forward	63,550	52,679

Bondholders are preparing to take over the principal subsidiary of the company, Algoma Steel Corp., in the fairly near future, The Financial Post is informed. With about $20,000,000 in bonds, interest on which was defaulted in 1932, there is no other alternative, it is stated, but to take over and operate the plant.

That Algoma Consolidated is preparing for such a step and not entertaining any wild hopes as a result is indicated from the statement accompanying the recent report. "It is to be anticipated that when a reorganization of the steel company is effected," states Secretary Johnstone, "its present shareholders will not participate as such. The board is therefore taking steps to make further drastic cuts in the overhead expense of the company and to formulate a plan to bring the structure of the company in line with its present situation."

Plant Must Diversify

Two bondholders committees, one representing the American holders and the other the English, have been making appraisals of Algoma Steel Corp. As a result plans for reorganization are under way. The latter will probably include, substantial writing down of the capitalization.

While no reports have been available since 1931, it is understood that the company has been hampered by lack of working capital and facilities for turning out a greater variety of products. The location of the plant at Sault Ste. Marie is regarded as favorable by the American committee, but doubt is expressed as to the future demands for rails, which has been one of the principal products of the mill. Diversification of manufacturing is considered essential.

Need More Capital

"To do this," reads the report of the American committee, "will require a considerable amount of new capital. When this capital is available, a plan of reorganization will be worked out and submitted to the bondholders for approval."

Current business of the company is stated to be on a reasonably satisfactory level, with the merchant mill in operation but not the rail mill. Properties have been kept in good state of repair, it is stated, and are being economically operated.

Algoma Central

The only other important subsidiary of Algoma Consolidated is the Algoma Central Ry. This is in the hands of the shareholders. The line runs from Sault Ste. Marie north 340 miles to Hearst on the C.N.R. It is closely linked with the fortunes of the Algoma Steel Corp. as it controls the terminals at the Soo, and at one time carried considerable ore to the steel mills and steel products the other way.

For the year ended Dec. 31, 1933 this company showed a profit over expenses of $59,569 as compared with a loss of $37,729 in 1932. Gross traffic receipts of $842,187 were up from $766,920 as reported in 1932 but both figures were far behind the $1,165,683 reported in 1931 and $1,663,984 in 1930.

Bondholders Control

Since 1916 this company has been operated by a committee of the bondholders, control having been transferred to the committee by Lake Superior Corp. The committee will continue to operate the company until interest has been paid on the first mortgage bonds, for three consecutive years. These bonds, of which $6,185,100 are outstanding, in the hands of the public, are responsible for an annual interest charge of $515,425. At the end of 1930 accrued interest on the bonds amounted to $8,055,600 when it was written off against fixed assets. Since 1931 it has again been unpaid and at the end of 1933 accrued interest totalled over $1,500,000.

RAIL TERMINALS EARNINGS $58,995 IN EIGHT MONTHS

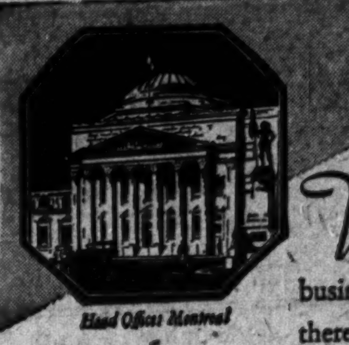
Canadian Rail & Harbor Terminals Ltd. showed an earned surplus of $58,995 after taxes and depreciation for the period Jan. 26, to Sept. 30, 1934, according to a statement by the Canadian bondholders' committee. During the period of approximately eight months an operating profit of $138,275 was reported as against an operating profit of $156,187 for the 12 months ended Dec. 31, 1933. This represents a gain of roughly one-third.

INCOME & SURPLUS ACCOUNT
June 26 to Sept. 30, 1934

Gross revenue	$281,809
Less operating expenses	143,534
	138,275
Less city taxes	40,000
Prov. dep.	39,280
Earned surplus	58,995

The committee states that over $1,100,000 of the $3,500,000 of the 6½ per cent first mortgage bonds outstanding have been deposited in its favor.

It is understood, however, that no action is contemplated by the Canadian committee until a much higher percentage of the bonds has been deposited. Moreover, the Canadian committee in contrast to the American committee which has included both the 7 per cent bonds and the debentures in a proposed scheme of reorganization, "is not satisfied at this time as to the wisdom or the necessity of including in any reorganization the holders of junior securities." However, no reorganization plan of any kind has yet been offered by the Canadian committee which consists of Rt. Hon. Arthur Meighen, Sir Henry Drayton and R. V. LeSueur.



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GUILD SHIRT SHOP
THE STORE FOR MEN

"A Work of Art"

Some men might think we are "laying it on a bit thick" to call shirts a work of art. Personally, we don't, when we refer to Guild shirts. And men have already shown their willingness to pay higher prices for these fine shirts. The fabrics represent the cream of the world's markets—distinctive stripings and jacquard designs from England and Italy, to mention only a few. The shirts themselves have been tailored in Canada by the foremost manufacturer, according to the finest traditions of skilled craftsmanship. From collar to cuffs, quality is their only yardstick. Prices start at $4.

The Guild Shirt Shop—Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

HIRAM WALKER STORED SPIRITS NEEDED IN U. S.

(Continued from page 1)

have been greatly added to in the consolidated totals of the parent company by Barclay sales. The company not only manufactures its own brands but imports various brands from the British Isles and places them in Canada and to some extent in the United States. It also distills for some of the Canadian wine manufacturers. Development of the business has been very rapid in the last three years.

J. A. Grant, who is in charge of manufacturing, learned the distilling business in Scotland. He was for 20 years with Johnny Walker, for seven years was engaged in production of Booth's House of Lords' Gin, was for three years with the White Horse Distillers and five years with Hiram Walker's in Canada.

Many shareholders also were somewhat surprised to note that the name of Dominion Carbonic Co., and Liquid Carbonic Canadian Corp. appeared among the investments of the company and not as a subsidiary. It was generally supposed to be a subsidiary of Gooderham & Worts because the gas used by it in its production was obtained as a by-product of Gooderham & Worts distilling operations.

What actually happened was that Gooderham & Worts sold out its interest to the United States company, Liquid Carbonic Corp., and received shares of the Canadian subsidiary in exchange. It does not control; control rests with the United States company. Under the new auspices, Liquid Carbonic Canadian Corp. bought a new property on Mills St. for $50,000 from Gooderham & Worts, has rebuilt all the buildings, equipped them in modern fashion and has increased its business materially. It still gets the gas from Gooderham & Worts and the arrangement is stated to be working out satisfactorily to all concerned.

Grain Exports Via Vancouver

Grain exports through the port of Vancouver totalled 10,323,391 bushels to October 22 this season compared with 8,077,025 bushels at the same time last year.

THE DOMINION BANK ESTABLISHED 1871

FOREIGN EXCHANGE

With fully equipped offices in London and New York, and banking connections of high standing in all commercial centres, this Bank offers its customers throughout Canada prompt service in all foreign exchange transactions. Our managers will quote the latest exchange rates.

Private wires connect our Head Office at Toronto with our offices at Montreal and New York.

THE DOMINION BANK

ESTABLISHED 1871

BRANCHES THROUGHOUT CANADA AND OFFICES IN NEW YORK AND LONDON

New President Consumers' Gas Has Studied Job for 47 Years

Arthur Hewitt's Boyhood Ambition Was to be Musician—Finds Greater Field for Love of Harmony in Gas Business

On a day in October, 1929, at Atlantic City, five rows of key-boards on a marvellous $500,000 organ felt themselves swept by new fingers—nimble, sure and exultant—while a swelling harmony in instant obedience to the experienced touch filled one of the largest convention halls in the world. It was the occasion of the convention of the American Gas Association and the musician was Arthur Hewitt, who has just been elected president of Consumers' Gas Company in Toronto after 47 years of continuous service with it.

This incident gets first place in a sketch of Mr. Hewitt because it perfectly illustrates his life performance, it introduces him as a producer of harmony, because he is pre-eminently that in all his activities, and nowhere more so than as a gas company executive in the city of Toronto. That is so much recognized by gas men from all parts of North America that in 1933 they elected him president, the highest honor they could bestow.

Devoted to Music

Canada was born in 1867 and Arthur Hewitt in 1868. They were born in different hemispheres, but the new baby at Wolverhampton, England, unknown to himself and his parents, was pre-destined for the Dominion and to run a gas business which was already 20 years old. Even at nine years of age nothing was further from the thoughts of the Hewitt family because the lad showed unusual precocity at music and played the organ publicly at Wolverhampton. Even in 1881 when at 13 years of age he came to Canada music was still his passion and a life devoted to it his dream.

Music has remained his passion, his hobby, his relaxation and pursuit outside business hours. It has remained the avenue along which he can at will steal away from the cares, troubles and tensions which none can wholly avoid. Whenever he sits down to a church organ everything else but the music of his friends, Bach, Chopin and Beethoven is forgotten, and the troubles that infest the day fold their tents like the Arabs and steal silently away. But the possibility of a professional career at music was definitely put to one side when he entered the employ of the Consumers' Gas Co. in 1887 after brief experiences with other firms as bookkeeper, junior and reporter. For decades he continued to play the organ at churches but that was a service of love which enabled him to return refreshed, alive, vital, eager every morning for the problems that always are cropping up in the course of business.

Believes Hobby Essential

In a few years Arthur Hewitt will complete a half century of service in various capacities for the Consumers' Gas Co. So far as Toronto and so far as officials of public utility companies all over this continent are concerned, his activities since he became general manager in 1909 are those for which he is most widely known. So far in this attempt at appreciation pride of place has been given to his love of music because it is responsible for one of Mr. Hewitt's most firmly held opinions that every executive and every business or professional man with ambition should have some avenue of escape for his mind after hours. He considers a hobby, a passion for music or art or gardening or carpentry or golf or sailing or riding or what not, an almost indispensable aid rather than an obstacle to business success. He believes that a man who never lets his thoughts stray long from his business or profession or financial concerns, digs a hole for his mind that eventually it cannot get out of. Such a one-idea man will be in danger of going stale.

Act, Don't Worry

Mr. Hewitt has another recipe for business success, thus expressed in some of his favorite quotations as given in the closing paragraphs of his presidential address at the convention of the American Gas Association in Chicago in September, 1933:

"What practical moral is there for each of us in the fact that we cannot know the future? This: that we must take part in what is going on about us and not waste our force in the contemplation of the unknowable; that we must act to the degree that each of us can as our conscience and duty demand.

"But the true secret of it all is that we ought to live as far as we can in the day, the hour and the minute, to waste no time in anxious forecasting and miserable regrets but just to do what lies before us as faithfully as possible. Let us face the future not with an unconquerable despair but with a great hope."

"As any industry we are subject to most of the untoward conditions of the times and our policies and practices must be adjusted and readjusted from time to time to meet these changed and still changing conditions," continued Mr. Hewitt on the same occasion. "The new days demand new ways. Like other national industrial undertakings, if we do not deal wisely with our problems while they are ours to deal with, we may drift on until natural forces compel the solution of them in a way which spells disaster for us."

Has Faith in Future

These paragraphs express, however, only the first half of Mr. Hewitt's philosophy as to business efficiency. It is true that he is too busy taking care of the things of today to give anxious thought about the things of tomorrow. But that truth needs an addendum that he is also confident of the things of tomorrow because his memory of 47 years service with the company provides him with a long record of problems, depressions, crises and worries of one kind or another met and surmounted. It is no wonder that he now believes no problem is insoluble when attacked with intelligence, patience, perseverance and insight.

Many, many times pseudo prophets have talked of "the end of an era" as far as gas is concerned. Consumers' Gas Co. was formed 86 years ago to end an era of darkness at night for citizens of Toronto. It superseded the ghostly and feeble glimmer of many thousands of lanterns which citizens carried when they ventured out after dark. It brought a new day outside and soon chased the candle and the lamp from inside the houses as well. Though electric lighting came first with an unbearable glare that offended many people's sight, it frightened others into believing that the gas business would end. But the company then began its most useful era of service of all in the home, first for cooking, and later for heating water.

Instead of falling as electricity sales advanced, Consumers' Gas gas sales have increased steadily with Toronto's growth. It has found new outlets in industry and its reresearch department is still busy. Hydro-electric power is invading the realm of heating water and providing an auxiliary to heating in the home. Again gas sales have maintained their position and the advertising of Hydro in this field has stimulated both its own sales and those of Consumers' Gas.

Gas Always Needed

Recently The Financial Post representative said to Mr. Hewitt,—"I know you tell executives to meet the problems as they arise and not to waste their time in anxious forecasting. But investors are not meeting and cannot meet the problems of Consumers' Gas. That is for you. They have to base their investing on some sort of reasoned faith in the future. They know the gas business is flourishing now. They have read your statements that it is doing well in both the United States and Great Britain. But they want to get some idea of what it will be like 10, 20, 30 or even 60 years from now when they are gathered to their forefathers. Can it stand permanently the continual incursions into its field of hydro-electric power and fuel oil, they ask?"

"My conviction is," responded Mr. Hewitt, "that the demands for power, for heat, for lighting and for other purposes will be so great in the future that it will require every resource that earth can supply to meet them. Both the electric industry and the gas industry will be greatly needed 60 years from now, I am convinced, and in that case both will be flourishing."

People Trust Him

A man who has had wide experience of men in all walks of life happened in The Financial Post office to see the sketch by Evan Macdonald, which accompanies this article. He said, "I would trust the man with that face anywhere and believe anything he told me." Another man who has known Mr. Hewitt for a long time said practically the same thing: "He has great ability but he owes his success as much to character as to ability. He has been fair and square in all his dealings. People trust him, and that goes for all the shareholders, consumers, directors, officials, aldermen and controllers with whom I have been acquainted. Attempts have been made at widely separated intervals to throw the company, its rates and its policies into the arena of municipal controversy. They have failed and Mr. Hewitt is one of the chief reasons."

Consumers' Gas Company has been a source of unfailing interest to executives of large utility companies elsewhere on this continent, and mainly because of the harmonious relations which have obtained with the municipal authorities in most years.

Some Old-fashioned Reasons

"How is it you have been able to get along without trouble in a public ownership centre?" wrote one American.

"Just some old-fashioned reasons!" Arthur Hewitt replied in effect: "There have been no reorganizations, no splitting of stock, no changes in financial structure, no preferred stock, no funded debt, and new stock issues from time to time have always been sold at a substantial premium. The city knows we are living up to our contract because the Mayor is ex-officio a member of the board of directors, the city auditor audits our books and citizens are kept fully informed. There can be no misunderstanding or suspicion on the part of the public.

Turned up Noses

"The act under which the company has a perpetual franchise holds the balance evenly between consumers and the shareholders who provide the money for expansion. The shareholder never gets more than his $10 a share but he always gets that. For a long time the shares have sold at a premium so that new money has always come in on a basis that works out at from 5¼ to 6½ per cent. Just now the stock is selling on a 5.25 per cent basis. But whenever earnings are more than the amounts necessary for maintenance, operating expenses, depreciation, building and renewal funds and dividends, the balance is put aside for eventual rate reduction. If the earnings are inadequate the company is permitted to raise the rates or delve into the large reserves created from premiums on stocks sold. Exploitation of the public is rendered impossible."

Various heads of United States utilities some years ago turned up their noses as soon as they heard the common dividend was always the same and could not be increased. They could do nothing with such a system, they said. The dividend must be capable of increase, they claimed, or they could not finance. Now many of the same people wish they had as good an arrangement as Consumers' Gas Co.

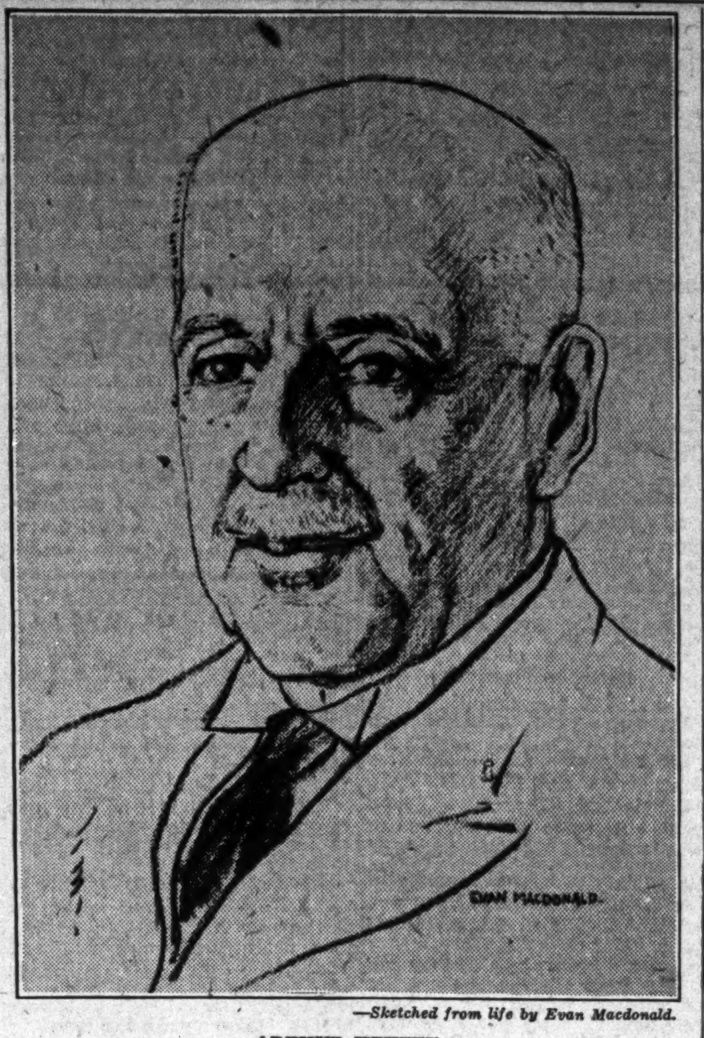
Company Comes First

With Arthur Hewitt, his company, its shareholders and consumers come first. Those who tell him, for instance, that it is noble and praiseworthy to buy Alberta or Nova Scotia coal are wasting their breath until they can show advantages at least to equal those enjoyed at present. He states quite bluntly and plainly that it is not economically possible for Western coal to come east of Port Arthur and Fort William and that it is not economically possible for gas coal to come from the Maritimes further west than Montreal. The N. R. A. policy in the United States doubled coal prices but still the advantage to Toronto rests with that coal and all the more because the company foresaw the policy, bought ahead and trimmed its expenses generally so that the revenue from present rates might suffice.

Young in Energy

Arthur Hewitt at 66 years will tire out many young men with his energy and enthusiasm. His work and his music do not exhaust all his time. He has had time to be president of the Canadian Gas Association (1911), president of the Toronto Board of Trade (1916), president of the Empire Club (1920), president of the Royal Canadian Institute (1928 and 1929)—a high honor for a layman—honorary chairman of the Board of Trade Club (used to be called the Young Men's Club), vice-president of the Ontario Associated Boards of Trade, chairman of the Toronto branch of the Victorian Order of Nurses, a member of the Lambton and York golf clubs and of the National Club, a director, vice-president, president and past-president of American Gas Association.

The writer cannot find that Mr. Hewitt has played much golf in recent years. But passers-by used to see him and Edward J. Tucker, secretary and assistant general manager of Consumers' Gas Co., walking up and down a lawn bowling green as late as 11.30 p.m., and after everybody else had gone home. They all say he was a very good lawn bowler.



—Sketched from life by Evan Macdonald.

ARTHUR HEWITT

Is Business Musician

When Mr. Hewitt joined the company in 1887 Consumers' Gas Co. had 9,004 customers and the output of gas was considerably less than one million feet a day. Today there are 170,000 customers and they use as high as 22,000,000 feet a day. He has not much time for bowling therefore but he has for music and his family.

Two years after he joined Consumers' Gas Co., Mr. Hewitt was married to Miss Westman. There are two children living, Gordon W. Hewitt, lawyer, and Edythe Hewitt who lives at home.

To conclude, Arthur Hewitt is living a full, happy and useful life. He has a cordial, friendly manner. He has the faculty of being sincerely interested at once in those he meets. In conversation he is interested and interesting, with unfailing courtesy and a lively sense of humor. He is of medium stature, active, close-knit. He is eminently fitted to work well with other men, has the highest regard for his fellow members on the board of directors and with most of those with whom he deals. As a business man he is a superb musician, a conductor who has accomplished the almost unrivalled feat of leading consumers and shareholders alike to sing in perfect unison a ditty entitled "For it's a jolly good company, and so say all of us."

ASKING AUTHORITY WIND UP AFFAIRS OF SEAMAN-KENT

Expect Early Appointment of Liquidator for Flooring Firm

Seaman-Kent shareholders will be asked to give directors authority for a voluntary winding up of the company's affairs, and the appointment of a liquidator. The directors state that they have reluctantly come to the conclusion that under present conditions a resumption of manufacturing activities would not be possible.

Cash on hand amounts to $11,812, aainst $18,249 at December 15, 1933, when the reorganization was completed. Present funds, it was stated are not sufficient to pay tax arrears and thus preserve the property, even aside from the necessary maintenance and insurance charges.

Directors have decided that it is necessary to take immediate steps to appoint a liquidator in order to conserve from the various properties what little there may be left. The liquidator will have to determine what properties, if any, are to be retained for sale under more advantageous conditions.

The company, which owns manufacturing plants at Meaford, Renfrew, and West Lorne, Ontario, was established in 1900 and grew to be the largest producer of hardwood flooring in the British Empire. In 1927, it was credited with 50 per cent of the Canadian output of this material. It was a big factor in the export trade, but sharply declining demand, keen competition, and the falling off in the building trade, generally resulted in difficulties and finally reorganization. In 1931 a receiver took possession of the assets consisting of $1,359,275. As soon as the raw materials were converted into marketable commodities under the receiver, the plants which could not be sold were shut down except for maintenance activities. A plan of reorganization was adopted in July, 1933.

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Let us serve you and your family.

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Crown Trust Company

393 St. James Street, Montreal

Black Lake to Meet Coupons for April 1, '33

Town of Black Lake, Que., has been authorized by the Quebec Municipal Commission to pay coupons on its bonds due April 1, 1933.

Bondholders have been advised that some interest coupons prior to April 1, 1933, for which payment has been authorized, have not been presented for payment.

Edmonton Tax Receipts $2,701,999 to October 31

Edmonton tax collections for the 10 months ended Oct. 31 totalled $2,701,999 compared with $3,010,401 in the same 1933 period, a decline of $308,401.

Collections of current taxes for the 10 months totalled $1,876,261, compared with $2,207,475 in the first 10 months of 1933. Collections of arrears this year came to $552,666 compared with $513,757 in 1933.

PLANNING for PEOPLE

A Message to Canadians from the Ford Motor Company of Canada, Limited

"The welfare of this country depends upon the prosperity of all our people.—To prosper in mercantile pursuits, in manufacturing, in mining, in lumbering, in agriculture, in finance . . . the whole economic fabric which comprises our country must prosper.—What we need in Canada today is a type of national planning which will direct the country on the ascending spiral of better times."—*Wallace R. Campbell, President Ford Motor Company of Canada, Limited, addressing the Canadian Chamber of Commerce at Winnipeg, September 11, 1934.*

PLANNING that is honestly beneficial to all is bringing good times back to the Canadian people. It is the only wise kind of planning. Planning that considers the needs of people, their response to fair dealing, their willingness to take a hand in a great work. That starts with the idea that business must share its fruits with those who share its labour *. . . and with those who buy the product of labour.*

That is Ford of Canada policy. For thirty years we have manufactured Ford automobiles with two simple principles in mind. 1st. *To make an increasingly better car and service at a decreasingly lower cost.* 2nd. *To pay a better-than-living wage to those whose skill and specialized ability have made our planning come true.*

There is another part of the plan. To manufacture automobiles, trucks and commercial cars in our factory at East Windsor, Ontario, we need steel, aluminum, forgings, castings, glass, cotton, batteries, tires—a host of processed and finished materials. We buy all we possibly can in the Dominion—about 75% of our needs. Our demands for supplies have stimulated home industries—made others start in Canada. In the last ten years we have spent $170,000,000 for materials, supplies, taxes. $91,500,000 in payrolls. This money works in Canada, keeps thousands of Canadian families, buys more Canadian goods.

Ford planning and Ford spending extend through the nine provinces. A huge Ford dealer organization exists that we may keep faith with Canadians and our own ideal of service. Year by year, hundreds more Ford dealerships and service garages have located at key-points in urban and rural districts. They are owned and operated by independent business men whose welfare is part of their community's—your community's. They are the Ford Motor Company's envoys to you. Our outposts, stationed in your city or village, on the coast or prairie with you. Part of their job is to find out what you want a Ford V-8 unit to do, and then let us know about it. We attend carefully. Talk it over with our engineers. Plan to add this feature, and improve that.

You can put faith in these Ford dealers. As we do. Because they share in the worthy plan of bringing efficient transportation to every one in Canada . . . maintaining it at the smallest cost . . . serving Canada's people with the means for greater prosperity, comfort and happiness.

FORD MOTOR COMPANY of CANADA, LIMITED

Ford

"THE CANADIAN CAR"

Utilities and Transportation

CONSUMERS' GAS SALES SHOW GAIN IN LAST 8 MONTHS

Earns 64 Per Cent of Dividend After Million to Building Fund

N.R.A. DOUBLES COAL

Maintains Position Against Large Uncontrollable Increases in Taxation and Raw Product Prices

Gross earnings of Consumers Gas Co. for the year ended September 30, 1934, were $7,250,627 which compares with $7,027,643 in the preceding year. After deducting higher operating and administrative expenses and adding $1,044,513 to building and renewal fund, there remained $897,226 to apply against common dividends of $1,405,520 as compared with $828,639 available in the year ended September 30, 1933. The company had therefore to draw $508,294 from the reserve fund created from premiums on capital stock sold from time to time. In the preceding year the amount thus withdrawn was $576,881. There remains available for this purpose $6,929,939.

INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1934	1933
	$	$
Gross earnings:		
Gas sales	5,362,195	5,459,076
Residuals	1,713,724	1,400,346
Merchandise	167,587	161,302
Misc. revenue	7,121	6,919
Total gr. earn.	7,250,627	7,027,643
Less: Oper. & adminis. exp.	5,405,887	5,264,577
Net earnings	1,844,740	1,763,066
Add: Interest	96,999	102,387
Total	1,941,739	1,865,453
Less: Renew. fund	1,044,513	1,036,814
Net profit	897,226	828,639
Less divds.	1,405,520	1,405,520
Deficit for year	508,294	576,881
Add: Prev. surp.	......	21,206
Trans. from res.	508,294	555,675
Balance forward	nil	nil

Sales Trend Turns Up

The new president, Arthur Hewitt, considers that these figures "indicate the success which the company has had in withstanding the most severe financial strain it has encountered during the 86 years of its history."

In the first four months of the year sales of gas were lower than in the same period of 1932 but in the first eight months of 1934 sales of gas were sufficiently ahead of the same period in 1933 to overcome the decreases of the earlier months. On May 7 a total volume of 21,831,000 cubic feet of gas was distributed, an all-time record output for a single day.

Though no new taxes have been imposed in 1934, Mr. Hewitt told shareholders that increased taxes in the years 1931, 1932, 1933 and 1934 made a total increase for the period of $600,481. During 1932 and 1933 it had also heavy cost of exchange on remittance to the United States. It had to meet as well the emergency freight rates placed on coal in 1933 and unavoidable losses from the inability of many consumers to pay their gas bills. The company's residual products of coal tar and oil tar also were sold at lower prices. These changes reduced the net earnings of the company in the four years by $501,270.

The company's operating expenses have been added to materially by the enactment and administration of the National Recovery Act in the United States. The Bituminous Coal Code authority now establishes the prices at which coal must be sold by the producers. The net result is that the company pays at the mines just twice as much for its gas coal on contracts renewed May 1, 1934, as it had agreed to pay in contracts signed a year earlier.

Pays $1,101,750 More

The company therefore paid $1,101,750 more in increased taxation and in operating costs in the last four years than previously.

The amendment to the Dominion budget on April 18, 1934, entitled the company to participate in a drawback of the customs duty paid by the company on its imports of gas coal to the extent of 50 per cent of the duty. Previously that drawback had been given to the operators of by-product coke ovens exclusively and was denied to the operators of other types of coke-making plants. This change placed the company on an even basis with other manufacturers marketing coke in the Toronto market.

Working Capital Strong

Working capital is down nearly $150,000 as shown by the following table:

WORKING CAPITAL

	1934	1933
	$	$
Current assets	3,877,061	3,804,640
Current liabilities	903,780	683,220
Working capital	2,973,281	3,121,420
Ratio	4.29—1	5.56—1

Principal changes in current assets are an increase in materials and supplies from $856,392 to $1,059,700 and a reduction in cash from $174,794 to $11,103. Higher price of coal probably explains this to some extent and also explains the banking advance of $149,707, the first shown at the end of a company year since 1931. Sundry accounts payable are also up from $282,181 to $347,432.

Maintenance Assured

It is interesting to note that, though shareholders have been paid in part from reserve fund, the position of the company in maintaining service to the consumer is improved. It added $1,044,513 to plant and buildings renewal fund during the year and only expended $535,314 in repairs and renewals. The fund therefore increased during the year from $3,332,693 to $3,831,892. Earnings actually covered the actual amount spent for this purpose and dividends, but because of the requirements under the Statute creating the company it continues to build up a fund which should ensure 100 per cent maintenance even in periods of heavy stress.

Value of real estate, plant and equipment increased during the year, as shown on the books, from $21,596,343 to $21,745,173. Number of meters fell from 170,271 to 168,209; gas output increased from 6,001,800 M cu. ft. to 6,031,281 M cu. ft. The consumption per capita of population served went up from 9,233 to 9,279 cu. ft., and the population per meter dropped from 4 to 3.9. The miles of main increased from 1,019 to 1,029.

New Brunswick Telephone Plan Issuing Stock Rights

From Our Own Correspondent

MONTREAL. — Upon approval of an increase in capital stock by the New Brunswick Public Utility Board, the New Brunswick Telephone Co. will offer rights to the shareholders covering the purchase of one new share of common stock for each 10 shares held at $10 a share. The number of shares involved in this plan of financing is 52,860 of the par value of $528,600.

The Financial Post is informed that proceeds of the stock offering will be used to clear up bank advances, which have been carried on the books for the past three years until such time as a market was available for financing. At the end of 1933, the company reported bills payable totalling $675,000. This amount is said to have been reduced to a point where the current financing will take care of the complete redemption of this indebtedness.

With the issuance of the additional $528,600 of capital stock, New Brunswick Telephone will have outstanding $5,814,480, or 581,448 shares of a par value of $10 each. This will compare with an authorized amount of $6,000,000. At present the company is paying a dividend of five per cent on its capital stock.

Last year New Brunswick Telephone's financial statement showed a deficit of less than $400 after payment of common stock dividends. The report for the current year is likely to show an improvement, as the volume of long distance traffic handled by the company, as well as the number of stations installed, have shown an improvement as compared with 1933.

BELL TELEPHONE OPERATIONS SET STRONGER COURSE

Interesting Data Released on Shareholders' List

From Our Own Correspondent

MONTREAL—Business of the Bell Telephone Co. of Canada in the third quarter of the current year showed a distinctly encouraging trend. September returns were the best reported for some time, and while the October business was not quite so good, yet the returns are considered as encouraging.

Last year the Bell Telephone reported a net loss in telephone installations numbering 41,829. For the first quarter of 1934 there was a net increase of over 2,000. This gain was wiped out during the second quarter, but the third quarter resulted in a substantial increase and brought the installation figures into the black again.

In the Montreal area there was a net gain of 1,945 telephone installations during October. This was the biggest net gain in telephones in Montreal for any October since 1929, and was exceeded in company's history in corresponding months of only two years, 1929 and 1928.

Analyze Stock Holdings

According to an official compilation over 58 per cent of Bell Telephone stock owners hold from 1 to 10 shares, and the average holding per investor, exclusive of the A. T. and T. stock, is 28.6 shares. The latter now owns 24.2 per cent of the total issued capital stock.

No individual owns as much as one-half of one per cent of the outstanding stock, and while a few insurance companies have fairly large holdings, no one account or small group of accounts owns anything approaching a controlling interest.

Women in Majority

According to the analysis of stock holdings as prepared by the company, Bell Telephone stock is now owned by 20,180 shareholders, 7,000 or 34.6 per cent of whom are men and 11,260 or 55.8 per cent are women.

Over 1,100 trustees, estate executors and kindred trust accounts form a group that holds slightly more than 10 per cent of the issued stock, or about $8,000,000 at par. Some 700 corporations and institutions hold stock of a par value of $14,000,000. Included in this latter group are life insurance companies, investment trusts, etc.

Brokers' holdings of Bell stock have always been relatively light. At present they are lower than they have been for some years, amounting to only four-fifths of one per cent.

Controlled in Canada

The records show that 93.5 per cent of Bell shareholders reside in Canada and hold 66.5 per cent of the issued stock. While there are shareholders in every province, 86.7 per cent of all holders are in Ontario and Quebec with 62 per cent of the stock.

While the major portion of the holdings outside the country are held in the United States, holders reside in practically every other civilized country in the world.

Holdings Are Widespread

A great variety of trades and occupations is represented among Bell shareholders. An interesting estimate of the distribution by occupational groups follows:

	Number	%
Housewives	6,000	29.73
Bell Telephone employees	3,750	18.58
Clerks, sales people	2,300	11.40
Professional, technical	1,000	4.95
Merchants	800	3.96
Manual laborers	800	3.96
Educational	700	3.47
Trades and farming	700	3.47
Executive and financial	700	3.47
Personal services	600	2.98
Retired	500	2.48
Government employees	400	1.98
Individuals	18,250	90.43
Trustees, Executors, etc.	1,150	5.70
Corporations, firms, etc.	700	3.47
Brokers	800	.40
	20,180	100.00

Bondholders Duke-Price Co. Well Treated

From Our Own Correspondent

MONTREAL. — Holders of the first mortgage bonds of Duke-Price Power Co. received a pleasant surprise on November 1 when they presented their coupons for payment in Montreal. They were paid off in Canadian funds, notwithstanding the fact that the trust deed calls for payment in United States currency only.

During the past few years bondholders have naturally claimed payment in United States funds, which at that time were at a substantial premium in Canadian money.

The Financial Post is informed that there is no discrimination as between Canadian and American bondholders. If American bondholders present their coupons for payment in Montreal, they will receive Canadian funds, otherwise payments to the American agencies will be made in United States funds.

At the end of last year Duke-Price Power had outstanding $35,791,000 of 6 per cent first mortgage bonds. During the past fall this amount was reduced to around $35,542,564 by the operation of the sinking fund.

Montreal Power Stock Holdings Are Analyzed

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Cons. stock register as of September 30 is featured by a further increase, both as compared with the preceding quarter and with a year ago, in the popular or general group. A year ago the popular register accounted for 3,890,206 shares, or 86.7 per cent of the whole. This year, shareholders in this class account for 3,945,565 shares, or 87.9 per cent of the issued share capital.

There is a reduction in the holdings in brokers' names and those registered in the names of banks, trust companies, etc. Whereas a year ago, the latter accounted for 8.1 per cent and brokers accounted for 5.1 per cent, this year the figures, respectively are 7.0 and 5.0 per cent.

At present the company has 31,143 shareholders, against 31,034 at the end of the second quarter. On September 30 last year, however, the number of shareholders was 31,852.

Price Spreads Enquiry

Maritime Fishing Industry Reviewed — Fishermen and Distributors Give Evidence

Examination of witnesses concerning the problems of the fishermen and fishing industry of the Maritime Provinces occupied the Price Spreads Commission at Ottawa during the eight days on which the commission sat from Oct. 30 to Nov. 6.

Any idea that these problems are the same throughout the whole area is quickly dispelled by even a cursory reading of the evidence. There are, however, a number of remedies proposed by almost all of the many groups of fishermen represented at the hearings, the chief of these being:

Remedies Proposed

Abolition of beam trawlers.

Appointment of a board with powers to fix minimum prices.

Federal government supervision of the cull, or grading, of fish.

Creation of federal fund to be used to advertise fish as a food in the Dominion. (Distributers heartily agreed.)

A number of fishermen supported the Maritime Fishermen's Union and its effort to market fish co-operatively. Chief objection taken to this system by others was that they had to wait until the fish had reached the consumer before they obtained their money. Some said they were not in a position to do this.

Dr. M. M. Coady, Antigonish, N.S., explained his connection with co-operative movements throughout the province. Claimed these co-operatives were financed and run by the fishermen themselves, had resulted in increasing returns and reducing the cost of gear and supplies.

Plenty of Fish

Almost without exception, fishermen agreed that there was little depletion of fish. Only in-shore fishermen from some Nova Scotia districts complained of lack of fish, blaming the activities of beam trawlers. There was unanimous agreement that prices were too low. Of some districts it was said that there was a lack of markets but this was not a general complaint from the fishermen.

Distributers were represented by **Harold G. Connor**, manager, Maritime National Fish Co., **A. H. Whitman**, president, Robin, Jones & Whitman; and **R. B. Richardson**, Algonquin Sea Foods.

Mr. Connor defended trawlers on the grounds that they guaranteed his fish supply throughout the winter when the other boats could not go out. Other distributers were not interested, as only the Maritime National operates beam trawlers.

Deny Price Fixing

All denied any knowledge of a price-fixing combine among distributors. Their major problem was to find a market for their fish. Practical closing of the United States market for fresh fish was given as one of the major causes of the low prices paid to fishermen. In addition, general economic conditions and loss of Brazil market for salt fish were cited.

Alex. N. and **Alan N. A. McLean**, of Connors Bros., appeared as the only commercial packing firm in the Maritimes. They were chiefly concerned with the price of tinplate as the cost of fish was only 10 per cent of total cost. Charged that they were unable to buy tin in the United States and that British tinplate was not as good. Connors took only about 20 per cent of the catch of herring fishermen, the balance going to a plant on the American side.

Connors Bros. chief costs per case of 100 tins of sardines were shown to be: fish, 23.8 cents; oil 27 cents; tinplate 70 cents; labor 38 cents; salt, coal, etc., 24 cents; administration, 23 cents. A loss of 0.39 cents a case was recorded in 1933.

Profits of the company were $61,876 in 1930; $23,920 in 1931; $74 in 1932; $17,541 in 1933.

Advertising Needed

R. W. Gould, secretary of the Canadian Fisheries Assoc., asked for a government subsidy to advertise fish. Said expenditure of $100,000 would increase sales 100,000,000 pounds per year.

Harry Marshall, Montreal wholesaler and retailer, said selling of inferior fish had resulted in drop in consumption. Selling of cod, pollock and hake fillets as haddock was charged. Suggested government order that fish must be clearly marked as to type.

Sid Perkins, Toronto wholesaler and retailer, said there was a big demand for two to 2½ pound fish. For which fishermen only got lowest price as anything below 2½ pounds was included as "scrod." Blamed chain stores for selling poor grades of fish below standard prices.

J. J. Cowie, director of fisheries promotion and inspection, Ottawa, said spread between wholesale and retail prices was chief difficulty. Surprised fishermen blamed distributors. He said only standard grading was for export of salted herring, mackerel and alewives.

Newfoundland Railway Earnings Much Higher

Earnings of the Newfoundland Railway give an indication of the improvement that has taken place on the island this year. For the months of July and August this year, total earnings were $610,669 as compared with $512,205 in the same period of last year, a gain of 19.2 per cent. Total expenses were $523,465 this year as compared with $476,946 last, or an increase of 9.7 per cent.

Increased activity of the various departments is shown in the following table:

Earnings of Newfoundland Railway
July and August

	1934	1933	Gain
	$	$	%
Passenger	89,825	68,732	30.6
Freight	217,748	197,135	10.4
Steamer	176,081	146,456	20.2
Dry dock	7,242	4,563	58.7
Dock shop	72,293	52,914	36.6

Rolland Paper Lists Senior Stock on Exchange

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has approved the listing of the preferred shares of Rolland Paper Co. Of an authorized issue of 25,000 shares, 15,000 shares have been issued and called for trading. The 60,001 common shares of no par value have also been approved for listing but will not be called for trading at this time.

Canadian Foreign Stock Listed on Montreal Board

From Our Own Correspondent

MONTREAL.—Common and preference shares of Canadian Foreign Investment Corp. have been listed on the Montreal Stock Exchange. The corporation's present capitalization consists of 13,500 of 8 per cent $100 par value cumulative preference shares, and 73,460 no par value common shares. Recently the corporation retired 3,550 of its outstanding preferred shares.

N. B. Power Board Builds Miramichi Line

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission expects to complete the construction of a transmission line before the end of December between the Grand Lake power station and the Miramichi district. In addition the commission is preparing plans for the erection of a distribution line of five miles from Chatham to Loggieville to link up with the extension of the system being put through from Grand Lake to the Miramichi.

MONTREAL POWER ELECTRIC OUTPUT HIGHER IN OCTOBER

Gas Sales Decline — Returns to Date Show Black in Both Divisions

From Our Own Correspondent

MONTREAL. — An increase in electric power sales offset a decline in gas sales during the past month, according to a statement issued by Montreal Light, Heat and Power Consolidated.

In October electric energy produced reached a total of 86,792,390 kw.h. This is in contrast with 82,464,078 kw.h. in the same month a year ago, an increase of 5.25 per cent. This latter increase was well below the average experienced in this year's earlier months, but is a marked improvement over the September figure, when the increase in power output amounted to less than half of one per cent.

Cumulative Total Up

For the ten months ended October, 1934, the company reports a power output of 810,878,455 kw.h. compared with 738,813,558 kw.h. for the same period last year, an increase of 9.9 per cent.

The month's gas production reached a total of 453,223,000 cubic feet, a decline of 14,620,000 or 3.12 per cent from the 467,843,000 cubic feet produced in October of last year. For the ten months, however, gas production figures remained in the black, showing an increase of 1.24 per cent over a like period in 1933.

Good Prospects for Scallops

The scallop fishing season now under way off the shores of Nova Scotia in the Digby region promises to be a very successful one with many new boats engaged — some fifty in all.

Province of Saskatchewan
4% Bonds
Due September 1st, 1954.
Denominations: $1,000 and $500.
Price: 85.19 and interest, to yield 5.20%

The Honourable James G. Gardiner, Premier and Provincial Treasurer of Saskatchewan, has authorized the following statement: "The margin existing between interest costs on the public debt and the revenue available to cover the total cost of government charged to revenue, is the same now as when the budget was balanced in earlier years; and it is my intention to produce that balance again.

"Capital expenditures will be made only where they are absolutely essential to increase the returns from production."

Saskatchewan descriptive circular gladly furnished upon request.

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EIGHTY-SIXTH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1934

Your Directors present herewith the Eighty-sixth Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1934.

Although general business conditions throughout the year remained unfavourable, the figures of the Balance Sheet and Income Account are distinctly gratifying and serve to indicate the success which the Company has had in withstanding the most severe financial strain it has encountered during the eighty-six years of its history.

The revenue, expenses and operating results are summarized as follows:

Gross Earnings	$7,250,627.61
Operating Expenses	5,405,887.14
Net Earnings	$1,844,740.47
Transferred from Reserve Fund	508,294.02
	$2,353,034.49
Interest, Dividends, and Plant and Buildings Renewal Fund	$2,353,034.49

The output of gas for the year was slightly in excess of that for last year. During the first four months the gas output was somewhat less than in the corresponding period of 1933; but the output for the last eight months showed an encouraging upward trend and exceeded that of the same period of last year sufficiently to overcome the decreases of the earlier months.

On May 7th a total volume of 21,831,000 cubic feet of gas was distributed, constituting an all-time record output for a single day.

There were no new major additions to the manufacturing plant undertaken during the year, and extensions to gas mains have been made only when necessary to meet demands for service.

The manufacturing plants, distribution system and other properties of the Company, have been carefully maintained and are in excellent physical condition. The expenditures for the year for repairs and renewals have amounted to $535,314.33.

In the matter of taxation, while there were no new taxes imposed during the year, no relief was afforded from the heavy burden of Dominion, Provincial and Municipal taxes which the Company is called upon to bear.

The following summary shows the aggregate amount in the past four years by which the operating expenses of the Company have been increased, as a result of increases made from time to time within that period in the variety of taxes which were being enforced in the year 1930, and of the enactment of new forms of taxation imposed subsequent to 1930:

Increase in customs duty on Coal; 25 cents per net ton	$249,769.75
New Excise Tax on Imports 1%; Increase in Excise Tax on Imports, from 1% to 3%	62,085.63
Increases in Sales Tax from 1% to 6%	113,600.00
Sales Tax extended to include Fuel Oil, formerly exempt	27,545.56
Increase in rate of Dominion Income Tax. On 1931 Income, rate increased from 10% to 11.55%; on 1932, 1933 and 1934 Income, rate increased from 11.55% to 12.5%	52,350.48
Increase in Stamp Tax on Cheques	10,079.85
Increase in Ontario Corporations Tax	20,793.64
Increase in rate of City of Toronto, Property, Business and Income Tax: 1930—31.8 Mills; 1931—33.6 "; 1932—33.9 "; 1933—33.4 "; 1934—33.0 "	64,255.64
Total Amount of Increased Taxes for 4 Years 1931-1934	$600,480.55

In addition to the items of increased taxation enumerated above, the Company has been faced with substantial increases in other extraordinary and uncontrollable expenses, during the past four years, such as, the heavy cost of exchange on remittances to the United States during 1932 and 1933, the emergency freight rates placed on Coal in 1933, the unavoidable losses resulting from the inability of many consumers to pay their gas accounts, and the decreased market prices of the Company's residual products of Coal Tar and Oil Tar. The combined effect of the changes since the year 1930 in these items of operating cost has been to reduce the net earnings of the Company during the past four years by a total amount of $501,269.59.

The enactment and administration of the National Recovery Act in the United States has had the effect of adding substantially to the Company's operating expenses. Acting under the powers conferred upon it by this Act, the Bituminous Coal Code Authority establishes the prices at which coal must be sold by the producers, and as a result, the price at the mines which the Company was compelled to pay for its gas coal requirements upon the renewal of its contracts on May 1st, 1934, was exactly 100 per cent. in excess of the price stipulated in the contracts negotiated one year previously.

The increase in taxation and in the costs of operation, which has aggregated $1,101,750.14 in the past four years, as indicated in the preceding paragraphs, has given your Directors much concern. Very close scrutiny has been given to all controllable expenditures, and all reasonable economies have been effected without impairing the usual high standard of service rendered to the public.

In response to the many representations made by the Company, the Dominion Government by a resolution contained in its budget presented on April 18th, 1934, amended the provisions of Tariff Item Number 1049, so as to entitle the Company to participate in a drawback of the customs duty paid by the Company on its imports of gas coal, to the extent of fifty per cent. of such duty. Hitherto, a drawback of customs duty paid on coal imported and converted into coke had been granted to the operators of by-product coke ovens exclusively, and was denied to the operators of other types of coke-making plants. Such a provision represented distinct discrimination against which this Company had long protested. The action of the Government in correcting such unfair legislation places the Company in the same position as other coke manufacturers who market their product in the Toronto area.

The Directors have to record with deep regret, the death on the 5th of July, of their honoured President, Albert William Austin, who for so long a period rendered valuable services to the Company, as a Director from June 18th, 1900, as Vice-President from October 29th, 1906, and as President from March 4th, 1912, a period of over thirty-four years.

The vacancy on the Directorate caused by the death of Mr. Austin has been filled by the election to the Board of Mr. C. S. Macdonald.

At a meeting of the Directors held on November 5th, Mr. Arthur Hewitt, formerly Vice-President, who has been in the service of the Company since March, 1887, and who was appointed to the position of General Manager in October, 1909, was elected to the office of President. Mr. A. H. Campbell, who has served on the Board of Directors since 1905, was elected Vice-President.

All of which is respectfully submitted.

ARTHUR HEWITT,
President.

STATEMENT OF INCOME AND PROFIT AND LOSS
For Year Ended September 30th, 1934

Gross Earnings:		
Gas Sales	$5,362,194.84	
Residuals Produced	1,713,724.53	
Merchandise Sold	167,587.37	
Miscellaneous Revenue	7,120.87	
		$7,250,627.61
Production, Distribution and Administration Expenses and Taxes		5,405,887.14
Net Earnings		$1,844,740.47
Interest Earnings		96,998.85
		$1,941,739.32
Transferred from Reserve Fund		508,294.02
		$2,450,033.34
Dividends	$1,405,520.00	
Plant and Buildings Renewal Fund	1,044,513.34	
		$2,450,033.34

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1934

LIABILITIES

Capital Stock		$14,055,200.00
Reserve Fund:		
Authorized under Act of 1887	$444,324.70	
Premium on Capital Stock	6,993,908.11	
	$7,438,232.81	
Transferred to Profit and Loss September 30, 1934	508,294.02	
		6,929,938.79
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1933	$3,322,693.44	
Less Repairs and Renewals	535,314.33	
	$2,787,379.11	
Appropriation from Earnings, Authorized by Statute	1,044,513.34	
		3,831,892.45
Reserved for Dividend No. 338		351,380.00
Provision for Dominion Government and other Taxation		55,260.88
Sundry Accounts Payable		347,431.92
Bank Advance		149,707.00
		$25,720,811.04

ASSETS

Real Estate, Plant and Equipment	$21,745,172.64
Investment in Dominion of Canada, Province of Ontario and City of Toronto Debentures	1,993,511.18
Materials and Supplies, including Advance Freight Payments on Coal	1,059,699.64
Cash in Bank and Offices	11,103.00
Accounts Receivable, after making provision for Doubtful Accounts	772,610.88
Interest Accrued, not due	40,136.63
Prepaid Taxes and Insurance	98,577.07
	$25,720,811.04

Approved on behalf of the Board of Directors.

(Signed) ARTHUR HEWITT,
President.

(Signed) EDWARD J. TUCKER,
Secretary

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1934. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed) W. E. SAMPSON, I.P.A.; EDMOND GUNN, F.C.A. — Auditors.

TORONTO, 5th November, 1934.

The following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; T. Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; Arthur Hewitt, Esq.; C. S. Macdonald, Esq.; Col. J. F. Michie; F. G. Osler, Esq.; T. H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. Arthur Hewitt and Mr. A. H. Campbell were re-elected President and Vice-President, respectively.

THESE FACTS *point to a* **SOUND INVESTMENT . . .**

Full particulars regarding this investment opportunity will be sent upon request.

ISSUE: The Cumulative Participating Preferred shares of a progressive Company supplying a world-wide market with products essential to many industries.

INCOME: The yield is over 6.50%, and current earnings are at the rate of over 2½ times Preferred dividend requirements.

SECURITY: These Preferred shares constitute the senior obligation of the Company. They are secured by the Company's entire assets, and are non-callable.

APPRECIATION: An unlimited participating feature affords opportunity of sharing in increased earnings.

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Branches in all the principal cities of Canada

News of Investment Markets

BOND MARKETS CONTINUE FIRM; WESTERNS GAIN

Upward Move of British Consols May Affect Canada

Canadian bond prices continued firm in the week ended Nov. 13. Strength persisted in most classes of bonds, although gilt-edged issues showed some hesitancy during the week.

Western provincial issues gained up to 1½ points with Manitoba bonds particularly firm. If the trend continues, the $5,000,000 of Saskatchewan 4's first offered in September, and of which less than half had been sold a week ago, is expected to be disposed of. The upward movement of western issues has been steady, and may indicate the approach of the time when the provinces will be able to finance themselves.

Among corporation issues, Dominion Tar 6's gained 2½ points to 91 bid, on anticipations of increased orders for 1935. Gypsum, Lime 5½'s added 2¾ points on the bid side, at 78¾. Canada Cement 5½'s were another construction issue to advance, gaining 1¾ to 98¾ bid. The broad advance is indicated by comparative quotations in this issue.

External Influences

Announcement early in the week by the U. S. treasury that exports of capital would henceforth not be subjected to restriction is considered of minor importance in financial circles. The control of the U. S.-Canada exchange in this regard has been noticeable chiefly by its absence.

A factor that may be of greater significance to prices for gilt-edged Canadian bonds is the rise of British Consols 2½ per cent to 89⅞ early in the week. This was the highest price since 1906, and is indicative of the fresh flight of nervous European capital to London. Hence the buoyancy of British gilt-edged issues may only be temporary. But the effect of maintenance of the rise would ultimately be expected to add to strength of gilt-edged securities in Canada.

The trend of gilt-edged bond prices is shown below:

Average Yield and Price for Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Nov. 13	3.751	110.88	Nov. 13	4.390	104.21
Nov. 12	3.769	110.69	Nov. 10	4.391	104.19
Nov. 10	3.773	110.62	Nov. 9	4.403	104.03
Nov. 9	3.773	110.62	Nov. 8	4.417	103.81
Nov. 8	3.763	110.76	Nov. 7	4.420	103.77
Nov. 7	3.770	110.71	Nov. 6	4.423	103.73
Nov. 6	3.779	110.56	Nov. 4	4.421	103.75
Oct. 31	3.807	110.30	Oct. 31	4.420	103.51

REGINA GROSS DEBT TO BE $17,633,581

Sinking Fund $6,276,606 and Net Debt $11,356,975

Regina's gross debt will total $15,980,968 at the end of this year, according to a recent report by D. Scott, city treasurer. In addition, there is $1,652,612 of debt issued by public and separate schools.

The debt statement issued by Mr. Ross shows the total at $17,633,581 including the school debt, as follows:

Local imps. (rpyrs. sh.)	$2,480,510
Local imps. (city sh.)	1,004,746
General	2,610,652
Utilities	6,581,494
Exhibition	409,887
General hospital	1,218,823
Direct relief	564,800
Library	50,103
Collegiate	860,000
Public school	1,397,366
Separate school	274,246

Sinking funds will total $6,276,606 at the end of the year, leaving net debt at $11,356,975. The city is to get a loan of $300,000 from the Dominion Government to finance relief, according to Premier J. G. Gardiner of Saskatchewan.

Canadian Acme Gets Order
Willys-Overland Idle

Canadian Acme Screw & Gear, a subsidiary of Russell Motor Car Co., has just purchased $100,000 worth of manufacturing equipment from the United States. This is a preliminary to large-scale manufacturing of parts for the Chrysler Corp. in Canada.

The news that Willys-Overland plant at Toledo, Ohio, has gone into operation on a schedule of making 15,000 cars does not yet affect the Willys-Overland Ltd., another subsidiary of Russell Motor Car Co. The work in the United States is employing 2,500 workers, but company is still under the receiver, and Canadian company operations will not be revived until it is demonstrated that the United States company can continue in the business permanently. The present plan at Toledo is to operate until next June and it hopes to have orders sufficient for continuance then.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Northern Elec.	5%	1939	Dec. 1	105
Riordon Pulp†	6%	1942	Dec. 31	105
Metropolitan Bldg.*	7½	1944	Jan. 15	103½
Rio de Janeiro Tram. lt. mtg.	5%	1935	Jan. 1	...
Harris Abattoir	6%	1947	Jan. 1	103

Purchase of bonds for sinking fund: †$74,600. *$27,000.

CHRISTMAS NEWS

Talk about women as shoppers—men may not be fussy when they're shopping for themselves, but—are they fussy when someone else does it for them?

Christmas is coming—and, that means Gifts for husbands, fathers, brothers, boy friends, and various other male relations. Breathes there a man (or for woman, either) who doesn't take pride in possessing the finest in Golf Clubs, Badminton or Tennis Rackets, Fishing Tackle, Guns—in fact, all types of Sports Equipment? Not Then ... go to Allcock, Laight and Westwood with your problems, or get their Catalogue.

They have any and every type of Sporting Goods that is dear to the masculine heart. We couldn't possibly name them all, but this is your opportunity to solve your problem. Get their Catalogue, please him and, thereby earn yourself a well deserved compliment.

So Shop at Ease—A. L. & W. Will Please.

THE ALLCOCK, LAIGHT & WESTWOOD CO. Limited
230 Bay St., TORONTO
ELGIN 3221—Opposite Evening Telegram

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.6	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85.7
October	107.7	9.8	68.4	169.0	74.4	126.6	89.2	122.0	49.0	87.1
Weekly Figures, 1934:										
November 1	105.4	9.0	66.0	171.0	73.0	130.8	101.6	121.9	47.9	90.2
November 8	109.0	9.2	63.9	174.3	74.1	131.1	112.4	124.1	47.7	91.9

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 13	102.56	115.68	84.36
Nov. 12	103.40	116.89	84.56
Nov. 10	102.99	116.97	84.32
Nov. 9	101.99	116.75	83.87
Nov. 8	100.46	116.99	84.56
Nov. 7	100.95	117.81	86.34
Month ago	101.06	126.03	85.90
High, 1934	120.12	135.98	116.57
Low, 1934	86.85	100.90	79.35

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 13	60.2	58.1	58.8
Nov. 12	60.7	58.8	59.4
Nov. 10	60.9	58.1	59.0
Nov. 9	61.1	57.9	59.0
Nov. 8	61.1	57.2	58.5
Nov. 7	61.5	57.1	58.5
Month ago	62.3	57.1	58.8
High, 1934	72.0	65.2	67.4
Low, 1934	58.0	50.1	53.3

Bread Wars

EARNINGS of several baking companies may be affected if the present bread war in Winnipeg is of considerable duration. Within a few weeks of a general increase in bread prices the situation has been entirely reversed and values have come tumbling down to as low as two loaves for five cents in some cases. Three loaves for ten cents is said to have been fairly common in many parts of the city. Charges by bakers that chain stores and other large retailers had instituted the price cutting have been denied.

Officials of the chain stores claim that small establishments first started cutting prices and that they were forced to fall in line. Wage cuts quickly followed the lower retail prices for bread in several bakery establishments.

Canada Bread, Inter City Western Bakeries, and Purity Baking Co., a subsidiary of Western Canada Flour Mills, have bakeries in Winnipeg. Consolidated bakeries and Canada Bakeries on the other hand, are not involved, their bakeries not being located beyond Winnipeg.

Biscuit Co. Merger Rumor

WHILE bondholders of Canada Biscuit Co. await word of reorganization, reports are current that further mergers may be arranged with the object of lessening in some degree the competition. Canada Biscuit Co., was itself the result of merger of some well-known companies in 1926 and further re-organization occurred in 1932 when bond interest was passed. In May this year default on interest occurred once again.

One report had it that George Weston, Ltd., was dickering for control, but it is learned that Garfield Weston, president, is on his way to England and those close to the company appear to be doubtful that there is anything in the story. A meeting of bondholders will be held shortly, and if any plan is ready it is expected that some preliminary announcement will be made then.

VANCOUVER PLANS TAX CONSOLIDATION

Tax Sales Cancelled; Collections at About 1933 Level

City of Vancouver has cancelled its November tax sales, pending preparation of a six-year plan for consolidation of tax arrears. The provincial government has undertaken to give legislative support to the consolidation scheme.

The proposed consolidation is expected to provide for lumping of arrears to be amortized over six years at five per cent interest, at the option of taxpayers. Taxpayers accepting the plan would be allowed to obtain discounts on current taxes, but failure to maintain the amortization payments would mean sale of their property. The lumped arrears, under the draft plan, would be payable, 10 per cent in each of the first three years, 20 per cent in the fourth, and 25 per cent in each of the fifth and sixth years.

Including arrears, Vancouver collected 70.17 per cent of its current tax levy of $12,069,565 in the ten months ended October 31, it is reported. This compares with 70.23 per cent for the same period of 1933.

Collections of current taxes and arrears were $10,064,548 in the first ten months of 1934 as against $9,689,438 for the corresponding period of last year, an increase of $375,110.

Confederated Amusements Strengthen Balance Sheet

From Our Own Correspondent

MONTREAL.—It is unofficially reported that Confederated Amusements has sold the balance of its first mortgage bonds permitting the company to clear up its bank indebtedness.

It will be recalled that in 1931, $325,000 of the company's 6½ per cent first mortgage bonds, due 1951, were offered to the public. Owing to unfavorable market conditions at that time, it was found impossible to dispose of the entire issue, and the company was forced to incur bank loans.

Earnings during the first half of the current fiscal year ended October 31 are said to approximate those of the comparable period of 1933.

Quebec, Dominion Pay 80% Verdun's Relief

Financial crisis of the city of Verdun, important industrial centre on the Island of Montreal, has been averted by the undertaking of the Dominion Government and the province to pay 40 per cent of the unemployment relief costs of the municipality. Verdun will pay the remaining 20 per cent.

Verdun recently revealed that it could not continue to make payments for direct relief to indigents. Particular significance in the additional help extended by the provincial and federal governments is that the change sets a precedent. Other municipalities may request similar treatment, it is understood.

Chicoutimi Will Pay Interest on 1933 Coupons

From Our Own Correspondent

MONTREAL — Improvement in the financial position of the City of Chicoutimi, under control of the Quebec Municipal Commission, has been such that arrangements have been made to pay coupons on the city's bonds from May 1, 1933 to October 1, 1933. Approximately $38,000 will be paid to the bondholders. It is hoped by the commission that early next year it will be possible to complete payment of coupons up to the end of 1933.

Within a short time the commission will submit a plan for the reorganization of the financial structure of the Chicoutimi School Commission and, with this adopted and in operation, the autonomy of the school authorities will be fully restored to them some time in January.

School commission of the city of Chicoutimi, Que., has been authorized by the Quebec Municipal Commission to deposit funds with its bank to cover coupons due Nov. 1, 1934.

Creditors holding past due bonds, which do not carry coupons, are asked to register with J. E. Blackburn, Chicoutimi, so that he may send cheques covering interest.

Godfrey Realty to Pay 3% Cash December 1

Godfrey Realty Corp. will pay three per cent on its first mortgage bonds on Dec. 1, in accordance with the plan of adjustment agreed to by bondholders in 1933. Interest will be paid on the interest at six per cent, so that the holder of a $1,000 bond will receive $30.90 on Dec. 1.

Bondholders can obtain this payment by presenting coupon C on the certificate of indebtedness attached to the bonds. The bonds are currently quoted at about 45 to 47. They bear interest at six per cent. By the adjustment plan of 1933, however, coupons up to June 1, 1933, were exchanged for semi-annual income certificates.

Dominion Currency Jumps $3,479,612

Dominion currency in circulation was raised another $3,479,612 in October, to $210,483,160 at Oct. 31, compared with $207,003,548 at Sept. 30. Excess gold holdings of the Minister of Finance shrank to $13,768,022 at Oct. 31, compared with $16,807,436 at Sept, 30.

The total increase in currency since May 31 amounts to $39,372,211. Excess gold reserves were $43,515,760 at June 30. The circulation is apparently being increased to pay in part for public works and as an "anti-deflationary" measure.

Sinking Fund Seeks Toronto Harbour Bonds

Offerings of the 4½ per cent debentures of the Toronto Harbor Commissioners maturing Sept. 1, 1953, will be received to the amount of $380,000 par value by the National Trust Co., Toronto, up to Nov. 19, 1934.

Offers of bonds for the sinking fund will be deemed to include interest and to be for the whole or any part of the amount offered.

Alberta Tax Enquiry Hears Civic Pleas

Alberta Tax Enquiry Board has been hearing appeals of various municipalities for changes in taxation in the province. Calgary and Edmonton have already presented their cases to the Commission.

J. F. Percival is chairman of the board and the other members are J. C. Thompson, W. D. Spence, J. J. Duggan, and John Gair. The secretary is Hugh Baker.

TOR. ELEVATORS EARNS $4.23 SHARE ON JUNIOR STOCK

Big Increase in Inventory But Bank Loans Are Reduced

Substantial improvement was reported by Toronto Elevators for the year ended July 31, 1934. On the common stock earnings of $4.23 per share were shown as against $3.42 for the previous year after making allowance for the fact that the previous report covered only ten months to July 31, 1933. The actual earnings on this shorter period a year ago amounted to $2.85 per share.

Net earnings were $509,693 for the full 1934 fiscal year as compared with $296,606 in 1933. After interest, taxes, reserves and depreciation of $298,863 as against $148,584 in the previous period, there was a net profit of $210,829 or over $60,000 above that of last year.

Consolidated Income and Surplus Account Years Ended

	July 31 1934 $	§July 31 1933 $
Net earnings	509,693	298,606
Less: Deprec. reserve		•95,398
Interest	298,863	29,422
Inc. tax res.		23,784
Net profit	210,830	150,022
Less appropriations:		
Pref. dividends	105,000	78,750
Com. dividends	25,000	25,000
Accr. elev. w/o	24,000	....
Surplus for year	56,830	46,272
Add: Previous surplus	423,244	376,972
Bal. carried forward	480,074	423,244

•Representing 2½ per cent on buildings and 10 per cent on machinery.
§ Ten months period.

Satisfactory

In reporting on behalf of the board of directors, James Playfair, president, states that the position of the company's receivables and contracts is satisfactory and all accounts have been valued on a conservative basis. Manufactured feeds, under the brand of "Master Feeds" continue to be well received by feeders, the output having shown a healthy increase in volume. During the year, Mr. Playfair states, directors found it advisable to extend the company's office building, and make improvements in the plant warehousing. All plants have been maintained in excellent condition and, in accordance with usual policy, current repairs charged to operations, he adds.

Due to the longer period covered in the last report dividend requirements on the preferred were $105,000 as against $78,750 while the same amount, $25,000 was paid in common dividends in both periods. After these payments and $24,000 written off against accrued elevation, a new item, a surplus of $56,829 or about $10,000 higher than in 1933 was carried forward. This brought the total surplus account up to $480,073.

Better Liquid Position

An improvement in current assets with less change in the liabilities improved the working capital position of the company from $516,858 in 1933 to $725,249.

Working Capital

	1934 $	1933 $
Current assets	4,630,016	4,316,145
Current liabilities	3,904,767	3,799,288
Working capital	725,249	516,857
Ratio	1.18—1	1.13—1

The 1934 report shows a sharp decrease in cash from $474,394 to $94,770 with a rise of almost a million dollars in inventory or from $3,505,495 to $4,315,945. This rise, however, was not reflected in any increase in bank loans. Accounts receivable, less reserve, of $196,461 was down very considerably from the $301,058 reported in 1933.

In current liabilities there were two important changes. Despite the increase of about 20 per cent in inventory, bank loans were actually reduced from $3,510,000 to $3,190,000. The reduction was offset, however, by an increase of $440,000 in amount owing on grain purchases. Provision for taxes was increased approximately $22,000 to $52,000.

Toronto Places $4,098,000 Issue Below 3.50 p.c.

City of Toronto has sold $4,098,000 of 3½ per cent debentures, maturing serially over five, 10 and 20 years, to a syndicate headed by Dominion Securities Corp. at 100.01, an average cost basis to the city of slightly below 3.50 per cent.

This is the lowest cost basis on which Toronto or any other Canadian city has sold a comparable issue since pre-war days. In financial circles, credit is given to George Wilson, Toronto treasurer, for keeping the city's bonds off the market for over a year, thus creating a scarcity which is believed to be partly responsible for the high price obtained. The rise of the gilt-edged market is, of course, a major factor in allowing such cheap borrowing.

Bids were as follows:

Syndicate	Bid
Dominion Secs., Bk. of Comm., Royal Secs.	100.01
F. W. Kerr & Co.	99.70
Wood, Gundy & Co., A. E. Ames & Co., Royal Bk., Dom. Bk.	99.6837
R. A. Daly & Co., Bk. of N.S., Griffis, F. & N., Dyment, Anderson & Co., Cochran, Murray & Co., Bk. of Toronto, Matthews & Co., Midland Secs., Flemming, Denton & Co., J. L. Graham & Co.	99.5325
Gairdner & Co., Imperial Bk., W. C. Pitfield & Co., Nesbitt, Thomson & Co.	99.519
Bk. of Mtl., Fry, Mills, Spence & Co., McLeod, Y. W. & Co., Bell, Gouinlock & Co., Harrison & Co., Hanson Bros., C. H. Burgess & Co., McTaggart, H., B. & G.	99.299

Chandler Paying November 1 Coupons

Village of Chandler, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons due Nov. 1, 1934, on bonds issued under by-law No. 8.

Creditors holding overdue bonds issued under this by-law have already received cheques for the six months period to Jan. 1, 1935, with the exception of a few bondholders who have not registered with the commission.

Quebec Electricity Enquiry Tapers Off After Opening

Evidence Given in Past Week of Interesting Character — Expect Operators' Briefs Will be Filed on Return of Commission to Montreal

From Our Own Correspondent

MONTREAL.—Quebec's enquiry commission on the electricity situation within the province listened to many arguments for and against nationalization, municipalization, rate charges, etc., over the past week, but of the evidence submitted little was of outstanding interest.

To date the big three—Shawinigan Water and Power Co., Montreal Light, Heat & Power Consold., and Southern Canada Power—have not officially submitted their briefs. As far as can be ascertained briefs will not be submitted by Canadian Hydro-Electric Corp., Quebec Power Co., Duke-Price Power Co. They will be represented at the hearings, however, in the event of any development affecting their position. In so far as Quebec Power is concerned, it is expected that Shawinigan's brief will be sufficient with the reports prepared not long ago in connection with the adjustment of rates in Quebec City.

Bouchard Leads Fight

Hon. T. D. Bouchard, mayor of St. Hyacinthe and representative of the Union of Quebec Municipalities, has given very extensive verbal evidence before the commission. He has referred at great length to the Tennessee Valley project and the rate structure in the area served by that enterprise. Beauharnois has been discussed and Mr. Bouchard believes that the Quebec Government should complete the project.

E. Robitaille, a certified public accountant who has been co-operating with Hon. Mr. Bouchard, submitted a lengthy report to the Commission on Montreal Power's finances. He admitted that it was difficult, if not impossible, to come to certain conclusions without more detailed figures than the company supplied to its shareholders or the public. He asked the commission for their co-operation in securing certain material which he considered necessary in analyzing the position of the company.

R. O. Sweezey, Francis Hankin, S. Ouimet, J. C. Kemp and others set forth their views before the commission.

Favor Private Ownership

All in all the evidence submitted to the commission over the past week did not strengthen the case for public ownership. The majority of the witnesses were either against public ownership or luke-warm to the idea.

During the present week the commission is holding a number of sittings in different parts of the province. The board will return to Montreal on November 19, at which time it is expected that the privately-owned companies will submit their briefs showing the manner in which they have fulfilled their stewardship to the public.

ELECTION NEARING, U.F.A. PLANS PLAY FOR FARM VOTES

Political Situation in Alberta is Much Complicated

From Our Own Correspondent

EDMONTON.—Two items of political interest emanated from the recent caucus of the Farmer members of the legislature. The provincial election will not be held before June, and there will be no by-election in Edmonton to fill the vacancy in the house created by the death of E. L. Gibbs, Labor member. Both decisions were inspired by the same reason: the reorganized U.F.A. Government is anxious to put off a test of popular opinion until the last possible moment. Times are still bad and Alberta farmers are just as discontented as they are in the other western provinces, and when this branch of the electorate is in a discontented mood the outlook for governments is not promising. Premier Reid and his cabinet colleagues probably are hoping that conditions will be improved considerably by next summer. It is a fair gamble. But there is another influence counselling the greatest possible delay in going to the people for re-endorsation. This particular government has suffered in prestige because of comparatively recent court incidents, and an extra six months or so might help to dull public memory on these events.

More For Farmers

However, as in the case of the federal government, time is marching on and a general election must be faced, willy nilly, before a great while. It is indicated that the U.F.A. Government will try to recover some lost ground by further legislation at the forthcoming session in favor of the agriculturists. It has already done a great deal in this connection during the past twelve years, but the political wing of the United Farmers of Alberta are as insatiable for more as Oliver Twist ever was. The government has nothing to lose in the way of urban support and the play will still be to the men and women who live in the more open spaces.

Rural members advised the government to move slowly in bringing the Trade and Industry Act into operation, and this advice coincides with the views vigorously expressed by nearly every daily newspaper in Alberta. It would not be surprising if the introduction of the code system were deferred until after the next session. In the meantime, the new deputy minister in charge of the administration of the act has been authorized to make an extensive survey of the trade and industrial situation in the province. This looks like an elastic mission which may stretch out for a few months.

Social Credit Star Dim

The Liberals and Conservatives have been very active of late in the selection of candidates for the provincial election. The prospects are that they will place nominees in every rural riding in the province. It is significant that neither of the old line parties has the least difficulty in inducing prominent citizens to stand. There is a widespread feeling that the government may be defeated, or at least that it might not be able to carry on single handed after the next election. The Liberals express confidence that they will carry a majority of seats. The Conservatives are not so bouyant, but any important increase in their representation might easily give them the balance of power after the coming free-for-all at the polls. Social Credit candidates are being nominated here and there, but so far that new party lacks the necessary political organization for a wholesale assault on the electorate. Both Liberals and Conservatives returning to the city declare that the Social Credit star is already on the wane and that another six or eight months of waiting will accentuate its dimness. Several U.F.A. lieutenants from the townships cherish the same thought.

The resignation of Hon. H. H. Stevens from the Bennett cabinet and his apparently irrevocable split with Mr. Bennett may have serious repercussions for the provincial Conservative party in Alberta. Immediately the news of Mr. Stevens's action was received, Mr. Duggan, its leader rushed into print with the following statement:

"Mr. Stevens has interpreted the viewpoint of the Liberal-Conservative party in this province, and he is entitled to our unqualified support."

Changed Their Minds

This view, which was supported by Colonel F. C. Jameson, another Conservative member of the legislature, was enunciated several hours before Mr. Bennett's reply to Mr. Stevens was made public here. To many Conservatives out this way that reply changed the picture materially. They recognized that there were two sides to the case and that the ex-minister was largely responsible for what happened. However, Leader Duggan stands committed to his hastily-conceived pronouncement, no matter what many of his followers and Mr. Bennett himself think about it. Impulsive utterances of the kind are often damaging to political leaders, and the net result, many think, will be to further weaken Conservative chances in the next Alberta election. In any case it would be surprising if the federal chieftain goes out of his way to aid Mr. Duggan after his hasty espousal of Mr. Stevens.

Interim Certificates Bank of Canada Issued

Interim stock certificates of the Bank of Canada were issued to holders on Wednesday morning, November 14. The certificate states that "Mr. ——— is the owner of ——— shares of capital stock of the Bank of Canada, par value 50, on which initial installment of $12.50 a share has been paid." It looks like any other stock certificate in appearance and wording.

Upon surrender of this interim certificate — so the certificate states — and payment of unpaid installments, the registered owner is entitled to a stock certificate. The certificate is transferable only on the books of the bank by the registered owner in person or by attorney upon surrender of the certificate.

The stock certificates will be available for exchange for the interim certificates as soon as possible after January 2, 1934, which is the date for payment of the final installment.

RECIPROCITY PACT STILL IN EMBRYO

(Continued from page 1)

spade work on both sides is done. Canada at present is definitely in the "study" or "spade work" stage. Spade work can be described as embracing:

(1) Selection of the country with which negotiations appear possible and profitable.

(2) Examination of the U.S. export situation and determination of what advantages are wanted from the foreign countries.

(3) Investigation of the import situation and tentative determination as to what the United States might give in return.

The study period embraces consultation with the commerce, agricultural and tariff departments of the government, and usually concludes with a tentative semi-agreement. At the end of the period the U.S. usually emerges with a definite view as to what it wants from the country concerned. At this point official announcement is made that negotiations will begin.

Switzerland Latest to Emerge

Latest announcement of this sort was the official statement on October 23 by William Phillips, former Canadian-U.S. Minister to Canada and now acting secretary of state, of the "intention to negotiate a foreign trade agreement" with Switzerland. After this formal notice appears, interested parties (which means U.S. producers, manufacturers and distributors) are allowed a fixed time to present their views in writing. The limit is usually about six weeks with a further week allowed for oral presentation of their case.

These formal hearings are in camera and an important feature is that producers and manufacturers are left in the dark as to the kind of treaty being negotiated. All they are told is that a treaty is being considered with such and such a country. They are given no inkling as to its basis. Unless they can obtain inside information, they must gamble on whether or not the presentation of a brief before the "Committee for Reciprocity Information" of which T. W. Page is chairman, would prejudice their case or not.

There are two other important committees handling negotiations. The first is the "Executive Committee on Commercial Policy" headed by assistant secretary of state Sayre. Allied to this is Mr. Page's committee already noted, and another body called "Inter-Governmental Committee on Foreign Trade Agreements," headed by Henry Grady, officially designated as "special assistant to the secretary of state."

Finally, there is under the supervision of the Grady committee another body called "Committee of Experts for Individual Countries." It is this committee which undertakes the study period or spade work. At the present some ten or twelve "committees of experts" are said to be at work.

So far actual negotiations have only been announced with countries with which the United States has an unfavorable trade balance. The countries are: Haiti, Colombia, Brazil, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Belgium, Sweden, Spain and Switzerland. Exports to these countries (including Cuba) now amount to 10 per cent of total U.S. exports; and imports to 21 per cent of the U.S. total.

Canada Names Group to Study U. S. Treaty

From Our Own Correspondent

OTTAWA.—Are negotiations for a reciprocal trade arrangement between Canada and the United States already under way?

There has been a flood of reports from Ottawa in the past week, but no official statement of any kind.

Facts learned authoritatively show the position to be as follows:—

1. The Bennett government has no intention of approaching the Roosevelt administration on the matter of a trade arrangement, but has good reason to believe that President Roosevelt will officially invite Canada to begin negotiations.

2. This invitation may come in the immediate future and, with this possibility in view, the Bennett government has created a committee of officials who have gone over every phase of the trade question.

Case Nearly Complete

3. This committee, it now appears, has been functioning more or less steadily since Mr. Bennett returned from London and has been particularly active in the past ten days. The Canadian case, it is understood, is practically complete.

4. Whether or not the Canadian government will insist upon a trade treaty rather than accept a trade agreement is not clear but the probabilities are in favor of a treaty. This, of course, would place the entire negotiations on a different footing and would clothe the preceding negotiations with much greater importance.

It seems likely that a small delegation of Canadian officials will go to Washington in the immediate future to discuss trade questions with Washington experts with a view to speeding up the actual negotiations.

What Canada Wants

The Canadian case, it is believed, varies little from the views expressed in the past by Canadian governments. The Dominion desires tariff concessions which will ensure entry into the United States' market for primary products — cattle, meats, milk, cream, potatoes, fish and lumber.

Apparently the committee of experts has endeavored to find worthwhile concessions for the United States. It is believed that Washington will desire, chiefly, tariff concessions on iron and steel products and on textiles. It is thought doubtful if Washington's wishes, in this regard, can be met without some impairment of the Ottawa treaties.

Agreement or Treaty?

The point as to whether negotiations shall be aimed at an agreement or a treaty is regarded as most important. The trade arrangements which the United States has been entering into since President Roosevelt obtained special powers from Congress last spring have been agreements, not treaties. These agreements are put into effect by presidential order and depend for their duration upon presidential support. A change in the presidency two years hence would probably wreck them. In any event, these agreements do not have to be approved by the United States Senate in any shape or form.

A trade treaty would be for a given period of years and would not become effective until ratified by the United States Senate — two-thirds vote being required. It is recalled that Premier Bennett has said on numerous occasions that the chief reason why the Conservative party opposed the 1911 reciprocity pact was because it was an agreement not a treaty, and that he would never support any trade arrangement with the United States other than a treaty.

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Funds are available to establish enterprises which require capital for expansion . . . development of new products . . . the acquisition of concerns in kindred lines . . . liquidifying their credit position.

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TORONTO, NOVEMBER 17, 1934

HEPBURN GIVES LEADERSHIP IN SOME BIG PROBLEMS

THE interview with Mitchell Hepburn that The Financial Post published shortly after his election revealed the Ontario premier to be a man with an unique assortment of opinions. His actions and his published statements since have revealed a lack of well defined economic, political or social philosophy.

The confusion between his effort at economy and his efforts to fill all civil service offices with partisans is only one of many anomalies. In the same class is the premier's promise to cut expenditures to the bone while undertaking to increase the province's social services.

But on various recent pronouncements, Mr. Hepburn has been thoroughly sound and particularly courageous since not one of the statements in question can be regarded as popular with the masses on the street who have been led around by the nose by politicians.

First, Mr. Hepburn stated the province would not go through with its share of the St. Lawrence waterways. Anyone who has made a really comprehensive study of the St. Lawrence waterway project realizes that it is a contractors' and politicians' racket and cannot possibly be expected to stand on its own feet as a transportation unit. Yet so powerful has been the propaganda that has been carried on by interested parties in favor of the waterway that few men in public life have been willing to risk public unpopularity by saying so. The only possible economic development is in the power field. This is Ontario's chief interest but the Ontario Hydro has purchased so much surplus power it is already flirting with the idea of selling some of it to municipalities in Quebec.

Then Mr. Hepburn threw cold water on the proposal of some of his associates in the cabinet to codify industry in Ontario. The code system in the United States had proved a failure, he said, and he made it clear that Hon. Arthur W. Roebuck, attorney-general, in forecasting a system of industrial codes for the province, was speaking out of turn.

Last week the premier again took a courageous stand when he criticized the policy of charging relief costs up to capital.

"No prudent financier would charge up his relief to capital," said the premier, and he said that in the future the province would, if the cabinet approved, charge relief costs up to current expenditures.

He went further and said that no new capital expenditures would be authorized until the province knew where it stood financially.

And when asked to "do something" for Labor he said, "The greatest thing the Government can do for labor is to cut down expenditures. After all, the unorganized people have to bear the brunt of all taxation."

If this is really Mr. Hepburn's political philosophy, if he pursues it to the bitter finish against all organized opposition, if he refuses to be diverted from his course by some of the influences that surround him, if he will refrain from committing himself to ill considered deviations from this policy, he has a chance of becoming one of the great prime ministers of any province.

WILL WE NEVER LEARN FROM OTHERS' ERRORS?

THE parallel between Canada's action in attempting to peg the price of wheat futures at Winnipeg with the attempts of the Federal Farm Board in the United States to maintain a fixed price for wheat is so exact that numerous commentators have felt impelled to comment upon it. Those who best know the sorry results of Washington's blunderings with wheat are amazed that Canada should continue so fatuous a wheat policy as Mr. Bennett and Mr. McFarland have embarked upon.

American experiments in holding back wheat, stabilizing it by government purchases and pegging prices effectively threw American wheat growers and millers out of the world market. Canada's equally ridiculous experiment bids fair to do the same thing in this country. We are a nation built upon a wheat economy. The export of wheat and flour is essential to any measure of prosperity at all. Yet we are deliberately undertaking governmental policies which can have but one effect; namely, that of closing up our foreign markets for wheat and flour.

The statement in the Northwestern Miller that "blundering politics finally have brought the world wheat trade to a low estate" cannot be denied. Well indeed may that old established paper of the milling trade say that "all of the millions of bushels of so-called surplus would long ago have been used for food, other countries of the world would not have set up their programmes of stimulating production, restrictions and quotas would have been determined by military rather than by economic considerations, and the international wheat trade would not have been so hopelessly askew" had the wheat balance been permitted to liquidate itself by natural processes and had governments stayed out of wheat.

An interesting angle on the policy pursued first by the Canadian wheat pool and now by the Canadian government is uncovered by a letter from a leading Liverpool miller to a British newspaper. This miller thinks that Canada is not playing the game under the Imperial Economic Conference agreements of 1932. Under this agreement Canadian wheat was given a preference of two shillings per quarter over wheat of foreign origin and in return, Canada agreed to market her surplus at world prices. Canada has, he contends, broken that agreement. Canada is engaged once again in a big gamble, the success of which depends on the failure of crops in the southern hemisphere. In the past, says this miller, discouraging results to the growers have followed upon attempts to hold wheat above world parity. History is being repeated, but the lesson has not been learned.

ANOTHER BUILDER OF RAILWAYS PASSES FROM SCENE

ONE by one the great railway builders of Canada, the men whose work ushered in the century that was to be Canada's, are passing. Historical figures only to the present generation, they were the motivating forces in Canadian economics and politics a generation and two generations ago.

What obituary notice could do justice to the romance, the adventure, the turmoil, the achievement of the life of Sir Donald Mann who died over the week end? Here was a man who left his monuments all over Canada. What he did in association with Sir William Mackenzie in building the Canadian Northern Railway and in other enterprises helped to make Canada what it is today. It helped to develop Canada's wealth. It advanced us in nationhood. At the same time, it burdened us with debt. There is inspiration for us in Sir Donald's life; but there are political lessons too in our experiences with the enterprises he helped to found and create.

The Mackenzie-Mann railways were splendidly conceived, well built. It was in their reliance upon governmental credit that they sowed the seeds of future trouble. It is not enough to say that had there been no Grand Trunk Pacific and had there been no war there would have been no railway problem in Canada and no cloud on the work of Sir William Mackenzie and Sir Donald Mann. Their whole plan was to build privately-owned railways on public credit. That plan was wrong and it gave Canada a mixture of business and politics that proved to be bad medicine.

It may seem ungracious to pause at such a moment to reflect upon this phase of the work of a man so remarkable in his contributions to Canadian prosperity as Sir Donald Mann. But he was always a realist and honest with himself. Were Sir Donald able to read his own obituary notices he would be somewhat impatient with those who are today penning the most laudatory screeds about him and who will tomorrow be writing the most furious condemnations of everything Mackenzie and Mann did.

RAILWAY DEFICIT NOT DUE TO PORTS POLICY

THE Portland, Maine, Evening News agrees with the assertion of The Financial Post that Portland is greatly handicapped in its effort to win back the Canadian traffic that formerly went through that port but that now goes through Halifax and Saint John. But "better late than never" is the News' slogan and it does not admit that Portland is waking up too late in the game to revive some of its former glory. The News is convinced that the weight of sound economic argument still favors Portland over the Canadian government-subsidized ports of Halifax and Saint John.

Well, let Portland try to get this traffic back, if it will. We do not think that it can succeed. Canada has built its ports on the Atlantic and intends to use them. The Maritime Provinces would permit no other policy. In fact, the Canadian National-Canadian Pacific Railway Act makes it legally mandatory upon Canadian railways to ship through Canadian ports. It will be a difficult job to get that legislation off the statute books.

The Portland News quotes Canada's enormous losses on the Canadian National Railway as evidence of the cost of the Canadian traffic through Canadian ports policy. Here the News errs. It is not the use of Canadian ports, the termini of the Canadian National and the Canadian Pacific railways, that creates our railway problem. The $97,000,000 annual loss on our railways could be reduced to a mere bagatelle without altering our ports policy. It is due to extravagant operation, unnecessary duplication of services, and overstaffing.

THOSE MONEY CHANGERS

WHO are the "money changers" who have been under attack from President Roosevelt and other politicians, many of them in Canada, during the past few years?

Let Frank E. Hand, Supreme Chief Ranger of the Independent Order of Foresters, speak. In a talk to a number of new members attending a recent court, Mr. Hand said:

> "I have always understood that a money changer was a despicable person engaged in a reprehensible occupation, and I gather that that is what is meant in today's comment. The presumption is that the money lenders (now called money changers), if they have $10 on deposit in bank or post office, possess a $100 bond, or have an equity in their home, obtained their wealth by dishonest means, when the fact is that they loaned money on good faith. By reducing their income on bonds and mortgages to two per cent and by scaling down the principal of such indebtedness the money changers are going to have their wealth distributed.
>
> "Who are the money lenders? They are the millions of steady, sober and hard-working citizens who have deposited their little savings in banks and post office, who are paying rates to fraternal societies and life insurance companies. They own the bonds and mortgages. When their property is re-distributed, they will suffer.
>
> "A movement toward repudiation is based on dishonesty and it will undermine our civilization."

The children on the street, when some unpleasant epithet is hurled at them, reply with a little song that goes something like this:

> "Sticks and stones may break my bones, but names can never harm me."

In the long run it cannot do the investor much harm to call him a money changer and to infer that he is usurping improperly a place in the "temple." But unfortunately, the politicians do not stop at calling him names. They follow up abuse with injury in the form of moratoria, confiscatory laws, and the attempted redistribution of wealth by excessive taxation.

YES, WE KNOW WHAT TAXATION IS

A BRITISH member of parliament, after a trip through the United States, has passed the comment that the American people, compared with the British, don't know what real taxation is. His statement is worthy of some comment because it is frequently said of Canada, too, that taxation here is very light compared with taxation in Great Britain.

In the first place, the statement is not true. The percentage of the national income that is spent by governments is today as large in both the United States and Canada as in Great Britain. It is quite likely that during the current year it will be larger in both countries.

In Great Britain, the largest source of income of the government is the tax on personal incomes. Thanks to the new tariffs, the customs income is growing and excise tariffs are also important. There is a broad basis of income tax in England. Taxation begins at a lower figure; even people with modest incomes pay 4s. 6d. in the pound on a large portion of their income. The tax is a tax that is direct and that is felt by the taxpayers in a way that customs and excise duties are not directly felt. It is the heavy income tax that lets the Englishman know that he is so heavily taxed.

Likewise, the average English observer who comes to this continent fails to appreciate that here heavy taxes are imposed by the central government, by the states and the provinces, and by the local authorities. In the aggregate, the expenditures of these bodies greatly exceed those of the central government whereas in Great Britain the rates collected by local authorities are less than a quarter the total taxation imposed by the central authorities.

Taxation may seem heavier in Great Britain and it is heavier than the taxation of the Federal government in the United States or the Dominion Government in Canada. But the total taxes paid by the Englishmen do not exceed the total taxes paid by the Americans or the Canadians.

Even if it were true that Englishmen paid heavier taxes, there are two other points to consider.

The first is that there is a vast accumulation of wealth in the Old Country which can for many years be drawn upon to meet expenses of governments. But on this continent, and particularly in Canada, the necessity of building up capital for further expansion makes it more quickly suicidal to finance government out of capital.

In the second place, we are piling up debts at a much higher rate, both in the United States and Canada, than they are doing in Great Britain. Without the most vigorous paring of expenses by all classes of governments on this continent, the sheer burden of meeting interest charges and repaying debts is going to maintain taxation at an exceedingly high level over a long term of years. Britain is faced, at least, with the possibility of a gradually declining tax burden.

EDITORIAL NOTES

One of the most popular New York stock market forecasters said the other day:

> "The probabilities are that important reaction will not come until those who are looking for it decide that it is not likely to come."

In other words, to make money in stock market speculation bet against the traders and the forecasters.

* * *

Sir William Clark, former U. K. high Commissioner to Canada, said in London, speaking of the C.N.R.:

> "The railways met their full bonded interest in 1928, but since then it has fallen mostly on the State."

Sir William is wrong. The railway fell $33,400,000 short of paying its interest in 1928.

Post-Scripts

MOST speeches made by Rt. Hon. James H. Thomas, secretary of state for the Dominions, are very apt to be a combination of two quite different sets of ideas and expressions. The basic content will be a series of hackneyed expressions that have served "Jimmie" Thomas in and out of season ever since he came into public office. The flavor for this rather heavy pudding will be provided by one or two utterances that would be oracular from any other cabinet minister, but which jump suddenly into Mr. Thomas's mind as he is speaking and spring as suddenly out of his mouth.

Not long ago a member of the staff of The Financial Post, visiting London, had the misfortune to happen upon Mr. Thomas as the leading speaker at two luncheons and a dinner, all within 26 hours. Each of the three speeches began with the statement that "I am only a 'umble working man unversed in heconomics" and proceeded along the usual lines.

No doubt it was this sort of speech Mr. Thomas gave in London the other day when he was thanking Sir William Clark for an address at the Royal Empire Society. But Mr. Thomas could not hold himself in check and again gave his audience a priceless bit of inside information on the future. He said "when he (Sir William) talked about dollar wheat no one knows better than he or I what a fatal thing it is to encourage the talk of dollar wheat, when everyone with practical knowledge knows perfectly well that it will never be obtained again."

There you have it on the authority of a member of the British Parliament government. Dollar wheat is dead; it is gone forever. Not gone just for a year or two or five years, but for all time.

But then Mr. Thomas has told us, told us repeatedly, as often as three times in a little more than a day that he is "unversed in heconomics." Maybe he is wrong; maybe dollar wheat will come again.

Sayings of the Week

"Every working man is a capitalist."—*Senator William E. Borah.*

* * *

"Politicians just follow along, the backwash of the stream."—*Henry Ford.*

* * *

"In the next war, anyone who has anything to lose will lose it."—*Dr. W. R. Inge.*

* * *

"Private enterprise must be given confidence if it is to be started again."—*Sir Josiah Stamp.*

* * *

"Hatred between two women reaches greater dimensions than that between men."—*Emil Ludwig.*

* * *

"The business of a mass production age cannot but backfire if a philosophy of the few dominates it."—*Glenn Frank.*

* * *

"Democracy, more than any other form of government, is dependent upon knowledge and wisdom."—*Felix Frankfurter.*

* * *

"I wonder whether one does not get better value going at three miles an hour than at three miles a minute."—*Lord Mersey.*

* * *

"Politicians don't know enough to fix anything; it takes years of hard experience and experiment to learn to manage any business."—*Henry Ford.*

* * *

"Censorship ends in logical completeness when nobody is allowed to read any books except the books nobody can read."—*F. George Bernard Shaw.*

* * *

"I think that the doctrine of self-sufficiency implants within any nation that adopts it the seeds of revolution and aggression."—*James P. Warburg.*

* * *

"It is contrary to a sound public policy to transfer more burdens to the shoulders of government if it can possibly be avoided."—*President Roosevelt.*

* * *

"The machine must be an instrument for diminution of hours of work, not an instrument for creating unemployment and suffering."—*Benito Mussolini.*

* * *

"The greatest thing the government can do for Labor is to cut down expenditures. After all the unorganized people have to bear the brunt of all taxation."—*Hon. Mitchell Hepburn, prime minister of Ontario.*

The World at Large

M. Flandin Enters

Recent Visitor to Canada Takes Over Helm in Paris—Must Steer With Caution

By JOHN A. STEVENSON

France has once more been through one of those severe political crises which have been so fashionable in Paris in recent years and unfortunately prevent the development of any settled national policy. The result has been the death of the so-called National Ministry of Gaston Doumergue, which took office less than nine months ago—to meet the emergency of an even more serious crisis and head off what seemed the imminent danger of civil war between the parties of the Right and Left.

M. Doumergue, who has served with distinction as president and was trusted and even loved by the French public as are few politicians in France, managed in a short time to restore the weakened morale of the French people and to produce by courageous measures, healthier equilibrium in the national finances. When he took office, he found exactly one million francs in the treasury with obligations of 700 million francs falling due the same night. When he left there was a balance of 2,800,000,000 francs in cash, and bonds to the amount of several billions had been refunded. He contrived to reconcile temporarily and bring into his Ministry formerly bitter enemies like M. Herriot and M. Tardieu. But internal Cabinet quarrels broke out at intervals and his Ministry led a troubled and unstable existence through most of its career.

Parliamentary Reform

M. Doumergue, however, reached the conclusion that shortlived unstable ministries were the curse of France and that a remedy must be found for this grave national disability through a drastic reform of the parliamentary system and constitution. So he proposed a series of far-reaching constitutional reforms whose general objective was to strengthen the power of the Premier and Cabinet at the expense of the power of Parliament. The most important innovation proposed was the abolition of the present system of a fixed term for the life of France's parliament and the endowment of the President and Premier with authority to force a general election when the national interest seemed to demand it.

The main argument in favor of this change was that it would make the Chamber of Deputies more reluctant to defeat a government. Since the vagaries of small groups, factions and individuals, now recklessly given free play, might involve a dissolution, with all its risks to the individual politician's career, French political parties would begin to discipline themselves and coalesce into stronger and more permanent units. This would ensure longer lives for ministries. He also aimed to deprive the deputies of the right to put forward proposals which would entail an increase of public expenditures, a practice not allowed in British Parliaments. He was in favor of a system of proportional representation.

Naturally such drastic reforms could not fail to arouse heated opposition, and it became plain that there was little possibility of securing a majority for them in the senate. However M. Doumergue thought the opposition could be overcome and announced that he intended to employ all the means in his power under the constitution to bring them to a successful issue. But when he went so far as to threaten a resolution, he at once alienated the powerful Radical-Socialist group, the main buttress of his ministry which was very averse to an election. When ex-Premier Herriot and five other ministers belonging to this party tendered their resignations, the Doumergue ministry could not survive.

Plea for Calmness

M. Doumergue, who resigned at once, is obviously bitter over his experiences for in a farewell statement to the French people he arraigned the Radical-Socialists for cowardice and declared that "the men responsible for the policy which led to the February riots and the deaths of the war veterans do not wish at any price to answer before the sovereign people until a long time has rolled past." But he also exhorted his countrymen "to maintain the calm necessary to the settlement of the present difficulties."

President Lebrun first offered the premiership to Pierre Laval, the Minister of Foreign Affairs, but Laval saw no hope of forming a respectable government and declined it. So the president then turned to Pierre Flandin, Minister of Public Works in Doumergue's Cabinet, who has successfully undertaken the task of forming a new ministry. M. Flandin who recently visited Canada as head of the French delegation at the Gaspé celebrations and left a very favorable impression, is at the comparatively youthful age of 45, a magnificent figure of a man standing 6½ ft. high. He had a fine record in war as an aviator. He has been prominent in French politics for some time now and has proved his mettle in the ministries of finance, agriculture and public works and by his efforts to bring about some sort of arrangement of understanding among the Danubian states.

To Near Centre

He belongs to the small group known as Left Republicans and is therefore almost as near the centre of the French political orientation as anyone could be. As often happens in France, the personnel of the new ministry is not materially different from that of its predecessor but there are changes of importance. It contains 13 members of the Chamber of Deputies, four senators, two military representatives and one civilian. M. Herriot has been induced to join it and his Radical-Socialist party has been placated by being given two more cabinet seats making a total of eight.

M. Laval has been rated a weak Foreign Minister but he retains that office and General Victor Denain as Air Minister remains the chief representative of the military element since Marshal Petain, although pledging his support to M. Flandin, has retired from the Ministry of War.

Tardieu Is Out

One influential politician who has been dropped is Andre Tardieu, the ablest leader of the Right parties; he was laid aside by illness during the crisis but the real reason for his exclusion is that he and Flandin are personal enemies. However the Right element is strengthened by the inclusion of Georges Mandel as Minister of Communications. He was the righthand man of Clemenceau after the war and is one to the die-hard Conservatives of France.

On the other hand the Leftist element has been weakened by the withdrawal of Adrien Marquet, socialist of sorts who refused to serve in the same Cabinet as M. Mandel.

On the whole the Flandin ministry is appraised as being more "Rightist" than the Doumergue cabinet and it will probably have to face stiffer opposition from the Socialists and Communists, who have achieved a working alliance. M. Flandin got the co-operation of the Radical-Socialists by agreeing not to press Doumergue's reforms except such as were "desired" by Parliament and he will doubtless try to avoid highly controversial issues as much as possible because the Fascist elements on the one side and the Socialists and Communists on the other are still at daggers' drawn and all the government's skill and strength may be required to keep the peace in the coming months.

Other People's Views

Leaning on the State
Regina Leader-Post

Mail order houses and chain stores should not be ruled out of business by the State merely because they happen to be organized along different lines from other people engaged in the same form of business. If they have beneficial services to offer the public, the public should be permitted to enjoy these advantages.

The State can legitimately concern itself, however, with quality of opportunity so far as taxation is concerned. If one class of business is not paying fair taxation with respect to the services it enjoys, the claim may be fairly made that it should shoulder more of the community burden.

It is difficult to see where the matter of competition in the retail business can be controlled by the State.

Defense of Banks
Border Cities Star

Mr. Clarence Axford, editor of "The American Banker," doesn't think much of Canada's banking system. He addressed the American Bankers Association in Washington the other day and told the members so.

According to The Financial Post's staff correspondent, Mr. Axford boasted that the New England States had retained the wealth they accumulated as the shipping centre of the world and the cotton weaving centre of the United States, while Canada had drained its eastern provinces of people and money by the branch banking system.

It is so, as Mr. Axford says, that New England has enjoyed much greater population than the Maritime Provinces of Canada though probably careful investigation would reveal that the relative prosperity—keeping population disparity in mind—has not been any greater in New England than in our own New Brunswick, Nova Scotia and Prince Edward Island. However, there are so many factors in any comparison or situation of this kind that it is quite improper to lay all the credit—or the blame—at the door of a banking system.

It is quite true that our banks have been much more conservative than their contemporaries across the line. On the whole, however, we are inclined to think that the experience of Canada, in a banking way, has been a great deal more satisfactory than that of the United States. In all the years of the depression from which we are now emerging, not a single Canadian bank has gone to the wall or failed to meet any of its obligations. One has only to contrast this with the sad tale unfolded in the States during recent years to see the force of our argument that the Canadian system has produced the best result.

The Price Spreads Probe
Winnipeg Free Press

There never was an investigation which had behind it a greater measure of popular goodwill. As an agency of investigation the committee appointed by the commons met the situation; in its membership of eleven there was, as soon became apparent, not one person who desired, in the slightest degree, to restrict investigation.

The committee could thus have done a notable and valuable bit of work in perfect harmony; it could, in all probability, have presented a unanimous finding; upon that finding parliament might well, with a minimum of disagreement, have decided upon remedial and preventive measures of a highly beneficial character. Instead of this very desirable outcome we have had convulsions, disorders, discussions, cabinet upheavals, and an excitation of partisan feeling which precludes free thinking and impartial dealing in respect to the matters under investigation. For these developments Mr. Stevens is responsible. His conception of the functions and purposes of the committee, and of his duties and responsibilities as chairman differed very widely from those which were held by moderate and interested public opinion; and his insistence upon his particular view has been the direct cause of the series of explosions, one of which threw Mr. Stevens out of the government, which have attended the course of the enquiry.

Canada's Advance
United Empire

The heavy over-subscription to the Refunding Loan of $250,000,000 is another feather in Canada's cap. Canadians have once more conclusively demonstrated their confidence in their country's economic future by their eagerness to secure a share in this new gilt-edged investment. That their confidence is fully shared by those in the best position to know and appreciate the facts and factors of the situation was shown by Sir William Clark's speech at the Royal Empire Society's city luncheon on "Canada's Economic Progress." "The more one knows of Canada," he said, "the more is one confident of her future."

Already, as he pointed out, Canada is one of the small number of countries in the van of the movement toward recovery; indeed, the League of Nations office has put her in the very forefront. With no wish to draw comparisons, we need only look to the great Republic to the South, and note its heroic but so far not wholly effective recovery expedients, to get an idea of the progress Canada is making. It is no wonder that, as Mr. Bennett has said, Canada's credit stands so high today both at home and in the markets of the world.

The maintenance of this high standard of credit cannot fail to have far-reaching effects upon development. It is to countries with such a record that investors, and particularly we hope British investors, will turn in seeking an outlet for their capital. Capital is what Canada needs for the exploitation of those rich resources to which Sir William Clark alluded. Their more rapid development will give a fresh impetus to the Dominion's emancipation from the depression and the opening of a new era of prosperity.

"Stop Me If You Have Heard This One"

Tom—There's been a smash-and-grab raid at the jeweller's.

Dick—Did they get away with it?

Tom—No. They were Scotch, and they were arrested when they came back for the brick.

In the Mail

Two Kinds of Pirates

Editor, The Financial Post:

The first page of the second section of The Financial Post of today is a fitting arrangement of subject matters. Side by side, it places both the public and private characteristic weakness for corporate license.

Even "Canada's Biggest Burden" is a too weak alliteration for the gargantuan railway aggregation which was conceived in schemes to obtain colossal funds and exploit Canada.

"Fooling With Investment Funds" presents the private example of the same characteristic. The same political minds provided the Companies Acts as provided the policies which created "Canada's Biggest Burden." The matters of L. R. Steel and Russell T. Scott are noticeable examples of the impotency of the Companies Acts but fade into insignificance beside the public examples of the Abitibi Power, Hudson's Bay Railway, T. & N. O. section to James Bay, and soon to be included, the Hydro Power Commission's contribution to the public sacrifice.

HENRY H. FERNALD.

Welland,
Nov. 10, 1934.

Aid to Investors

REPEATED requests from investors for information as to the meaning of certain semi-technical phrases used by mining men, in prospectuses and progress reports, have convinced The Financial Post of the need for some sort of a comprehensive compilation of the various steps taken in mining development. Elsewhere on these pages is the third of a series of authoritative articles in which it is planned to take each step in mine development, and in language comprehensible to the lay investor, explain the terms which, if not understood, can make a progress report or a prospectus so unintelligible. The Financial Post hopes and believes that this series will be of genuine service to the man or woman who intelligently distributes his or her investments.

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Burdened With Responsibilities

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Business Conditions in Canada

The Week in Business

Better Fish Prices

ONE of the features of the evidence recently given by fishermen from the Maritimes before the Price Spreads Commission was the general acknowledgement that prices this year had been greatly increased over those of either 1932 or 1933. In many cases, instead of a price of $1.50 per quintal being paid, the current rate is either $2 or $2.25. Although the latter prices are still comparatively small, the increase means a great deal to the fishermen.

Among the deep-sea men, an average income of $300 for 1933 was indicated by the evidence given by the fishermen themselves. This was the net amount, operating charges deducted from the gross being around $200. With an increase in price of 50 cents a quintal, the net income for this year, on the basis of the same average catch will therefore be about $470.

• • •

National Cheese Week

THIS is national cheese week, designed to promote the consumption of one of Canada's leading secondary agricultural products. Canada annually produces about 120,000,000 pounds of cheese, of which between 80 and 90 million pounds are exported, largely to the United Kingdom. Record exports for cheese were recorded in 1925 when a total of 150 million pounds was shipped. Domestic consumption of cheese is small, being approximately 3.5 pounds per capita.

• • •

U.S.A. Still Uncertain

UNCERTAINTIES about the outcome of the elections in the United States has now been replaced by uncertainties about the significance of their outcome, according to observers. Developments this year have clearly shown that a national policy of spending as a means to recovery is far more effective in arousing public enthusiasm than it is in producing sturdy business expansion. What business now fears, according to the Cleveland Trust Co., is that the next Congress will devote its energies to the passing of huge appropriations designed to benefit constituencies, but designated as features of an emergency recovery programme.

• • •

Plan Butter Exports

A PLAN to develop a grading system for butter for export purposes in order to re-establish Ontario butter in the British market was recently announced by Hon. Duncan Marshall, Ontario minister of agriculture. That such an export market is necessary is shown by the heavy stocks of butter now being held in cold storage in the Dominion. Canadian butter became unpopular in the British market within recent years, due to the wide spread in quality.

It is interesting to note that, although there is a considerable surplus of butter in Canada, the domestic price has remained strong, is, in fact, higher than the export price. Should an export market be established, therefore, this surplus butter will have to be exported to bring a smaller return than can be obtained in Canada.

Graphic Arts Council Would Represent Printers

The Toronto Graphic Arts Council wants a clause inserted in any legislation concerning minimum wages or labor codes which may be enacted by the Ontario government, setting forth the right to arbitrate in labor disputes. A letter requesting this insertion, recently sent to Hon. A. W. Roebuck, is reproduced in the current issue of Canadian Printer and Publisher, Toronto.

It is understood that the Graphic Arts Council plans to set up groups representing employers and employees to handle any disputes which may arise in the printing industry. It is pointed out in the letter that, unless there is legislation authorizing them to act in this manner, such groups could not function.

Business Briefs

Failures in the week ended Nov. 3 numbered 33, as compared with 37 in the corresponding week a year ago. Failures to date number 1,215 as compared with 1,865 in the same period of 1933, a decrease of 34.8 per cent.

Car Loadings in the week ended Nov. 3 numbered 51,967, as against 50,688 in 1933 and 55,402 in the previous week.

Sales of Rogers-Majestic Show Big Gain in October

October sales of Rogers-Majestic Corp. were 3.63 times higher than that of the same month a year ago and 2.6 times above September, 1934, it is reported.

For the first seven months of the current year, sales were up 2.76 times over the same period in 1933. During November the company expects still greater returns with production increasing steadily and considerable orders on the books.

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SAY AUTO MAKERS FAIL IN PROMISE TO REDUCE PRICES

Importers Ask That Value for Duty Purposes be Rescinded

IN BRIEF TO MINISTER

Manufacturers Point to Higher Duties and Taxes — Say Costs Have Increased

Claiming that the fixed discount for duty purposes on automobiles operates unfairly against importers of United States cars, and asking that it be rescinded, the Canadian Importers Association recently presented a brief to the Minister of National Revenue summarizing its arguments. The brief claims that the promises made at that time have not been lived up to. Prices of domestic cars have actually risen in Canada, and the market for imported automobiles steadily declined, it is stated.

Manufacturers Reply

Manufacturers, on the other hand, point to the increase in costs which has resulted from imposition of excise taxes and changes in duty on component parts since that time. In a memorandum asking for the appointment of a commission to investigate the whole industry presented at Ottawa last week by the Canadian Automobile Chamber of Commerce, it is stated:

"There has been a steady tendency to increase the amount of manufacturing necessary to be done in Canada and to thereby increase the cost of production."

The fixed discount for duty purposes on automobiles became effective Feb. 21, 1931, it is pointed out, in the brief presented by importers, with the result that the value for duty purposes of United States automobiles was set at 20 per cent less than the retail factory price of the automobile. In effect, Canadian importers of United States cars were only allowed to take a 20 per cent discount from the factory instead of the 21 to 32 per cent which are the regular trade discounts.

Agreement Made

In reply to the protests made in 1931 by importers, it was stated that prices on Canadian automobiles would be reduced following this increased protection, thus causing the volume of sales to increase. This increased volume of business would be spread among importing organizations, it was argued, and would be sufficient to replace the business they had been enjoying from merchandising imported automobiles, the brief states.

Failure of Canadian manufacturers to keep faith, as prices have not been reduced in Canada while reductions have been made in the United States, is charged. Further, the brief points to the loss of capital and employment which has resulted from the operation of the special duty. In part the brief states:

Canadian Prices Higher

"There is no doubt in the minds of our clients, that if the Canadian automobile assemblers or manufacturers had kept faith with the Government, they might now have lower priced cars to sell, in volume sufficient to provide business for them all and that such business would not only have maintained employment but might have increased it. In support of our contention that the Canadian manufacturers have not lowered their prices, as expected, we would like to draw your attention to these facts:

Canadian Prices
(Standard 4-door Sedan, Toronto)

	1934	1930	Increase
	$	$	$
Chevrolet	970	948	22
Ford	919	860	59
Plymouth	900	890	10

U. S. A. List Down

"Actually the prices of cars in the United States were reduced between 1930 and 1934. Whereas there have been increases in Canadian prices. American prices are:

United States Prices
(Factory List)

	1934	1930	Decrease
	$	$	$
Chevrolet	645	675	30
Ford	585	600	15
Plymouth	585	625	40

"The operation of this fixed discount on cars for duty purposes has not only increased the cost of cars to the Canadian public but has resulted in a very substantial loss of revenue to the government, through the curtailment of imports. In 1930, customs revenue from auto imports was $6,474,842 and in 1934 had been reduced to $137,722, a decrease of $6,337,120. It may be argued that the reduced business is largely due to the general depression but we would like to point out that almost the full effect of this had been felt before the order-in-council was passed."

More Livestock Shipped

For the first eight months of 1934, the shipments of livestock from western to eastern Canada consisted of 59,752 cattle; 636 calves and 45,222 sheep, and showed increases in comparison with 1933 of 17,924 cattle, 428 calves and 10,739 sheep.

Replacement Needs Force Manufacturers to Spend

Numerous Expansions Also Recorded This Year — Machinery Firms Active — Mining Needs Create Widespread Activity

Indications that plant replacement demand has loosened purse strings of manufacturers are seen in a compilation of plant additions made annually by The Financial Post, in trade returns which show a substantial increase in importation of machinery, and in reports of increased activity from domestic machinery and equipment companies. It is judged, however, that a large volume of necessary replacement still remains to be done.

Although actual plant additions, according to The Post's compilation, were greater in value last year, the total is heavily weighted by two $2,500,000 jobs, one for Courtaulds and another for the Shell Oil Co. Eliminating these large jobs, less than $1,000,000 was spent by manufacturers in 1933 for plant additions as compared with approximately $2,500,000 recorded this year to date. Further, the additions this year have been better distributed throughout the country.

Leading Expansions

Among the leading expansions recorded this year, with the estimated cost, are the following:

Can. Copper Refineries, Montreal, P.Q.	$100,000
Dominion Foundries & Steel, Hamilton, Ont.	60,000
H. J. Heinz Co., Leamington, Ont.	125,000
Provincial Paper Co., Port Arthur, Ont.	125,000
Anaconda Amer. Brass, New Toronto, Ont.	100,000
British American Oil, Moose Jaw, Sask.	250,000
British American Oil, Coutts, Alta.	250,000
Nelson's Laundries, Vancouver, B.C.	45,000
Can. Westinghouse, Toronto, Ont.	80,000
Canadian Oil Co., Petrolia, Ont.	350,000
Canadian Industries, Shawinigan Falls, P.Q.	250,000

Big Gain in Imports

Importation of machinery shows a marked expansion this year as compared with last, totals for recent months being approximately double those of corresponding months of 1933. In the three months ended June, for example, imports of machinery, other than agricultural machinery, totalled $4,715,631 as compared with $2,577,439 in the same period of 1933. Further, in the same period, imports of electrical apparatus, including lighting and heating apparatus, dynamos, etc., advanced from just over one million dollars to over $2,000,000.

Latest available twelve months' figures are for the period ended August. During this period imports of machinery amounted to almost $17,000,000 as compared with $11,667,000 during the previous twelve months, while imports of electrical apparatus totalled $7,327,618 as compared with $4,856,000. Leading types of machinery imported were:

Leading Machinery Imports
(12 Months ended Aug.)

	1934	1933
	$	$
Textile	3,703,969	2,076,218
Mining	1,956,813	1,313,679
Adding machines	544,075	352,052
Logging machinery	301,291	57,925

Mining Leads

Mining leads the field, judged by the amount of new construction and expansion in 1934. During the year, 28 mining concerns either started or completed mills or mill additions on their properties. Cost of these additions is largely dictated by the accessibility of the property. Assuming a conservative cost of $60,000 per unit, this would mean that $1,680,000 will be spent in this manner in 1934.

Additions of equipment to other mining plants brings this total very much higher. Thus the table above shows mining machinery imports alone approximated $2,000,000 in the twelve months ended August of this year.

Domestic Factories Busy

A survey made by Canadian Machinery and Manufacturing News, Toronto, covering the business of machinery manufacturers during the first half of the year, places production during this period from 25 per cent to 100 per cent ahead of the same period of 1933. Employment returns for this group indicate that further expansion has been recorded in more recent months.

Think Autumn Revival Confined to Domestic Market

The autumn revival in general business is now clearly shown as confined largely to the domestic market, and to the secondary industries with the exception of construction, it is stated in the current monthly letter of the Canadian Bank of Commerce. The stimulating forces in the national economy are, therefore, of a different character from those of a year ago when a buoyant export trade was the major influence, it is pointed out. The review continues, in part, as follows:

"The remarkable feature is not so much the change from external to internal sources of recovery, as that Canadian export trade, although showing some weakening tendencies in recent months, has displayed a stability at least equal to that in world trade, following a period early this year when, contrary to the trend in world exports, those from Canada rose. If, however, a recent seasonal upturn in world industry is of the usual duration—in other words, if it is not checked by political and monetary disturbances, as was the industrial revival of last spring—it seems reasonable to expect that Canadian exportable products will find a wider market."

Forecast Improvement

"Preliminary reports," the letter states, "indicate that the down trend in primary industries has been checked, and the prospects are for stable operations until the end of the year."

Among the primary industries agriculture has entered the after-harvest season with improved range and pasturage conditions, fisheries have had on the whole larger and more profitable catches than last year, and lumbering is maintaining its revived production activities. These improved pasturage and rain conditions more than offset the decline in agricultural prices, the letter believes.

Tourist Trade Survey

Tourist trade on much the same level as 1933, but slightly better distributed, is expected by the Bank of Commerce. The letter states in part:

"It is unlikely, on the basis of reports now at hand, that the 1934 tourist trade will prove to be greatly in excess of that in 1933, with certain regional exceptions. A small increase has been recorded at Ontario border points. Quebec shows a decline, although that province undoubtedly benefitted from the increase in entries via Ontario and the Maritimes. British Columbia also has to record a small increase in foreign motor traffic, as well as in the average number of persons per car and the duration of their stay in Canada. Manitoba reports a decline and Alberta an increase as compared with 1933; no figures are yet available for Saskatchewan."

Distribute Spruce Trees

More than 100,000 white spruce trees, and some 8,400 green ash will be available for distribution in Alberta next spring from the provincial nurseries at Oliver, it is announced from the forestry branch of the Department of Lands and Mines.

Business Indicators Of Canada . . . Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Nov. 3)	▲51,967	50,688	1,967,948	1,706,816
C.P.R. gross earn. (Nov. 7) .. $	▲2,701,000 $	2,416,000 $	106,352,000 $	94,541,000
C.N.R. gross earn. (Nov. 7) .. $	▲3,195.061 $	3,166,619 $	141,820,055 $	121,638,632
Business Conditions—				
Weekly index D.B.S. (Nov. 3)	▲91.9	82.1	....	....
Business failures (No.) (Nov. 3)	▲33	37	1,215	1,865
MONTHLY DATA				
Business Conditions—				
Financial Post index (Sept.)°	98.9	90.8	....	....
Transportation—				
C.P.R. net earnings (Sept.) .. $	3,033,580 $	3,003,328 $	13,670,107 $	9,971,451
C.N.R. net revenue (Sept.) .. $	2,010,244 $	2,058,358 $	7,142,505 $	907,373
Iron and Steel (September)—				
Pig iron production (tons)	43,019	30,738	279,090	133,870
Steel ingot prod. (tons)	57,489	38,630	585,162	266,829
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (September)	3,017	2,722	56,237	36,173
Factory output (September)	▲4,211	4,358	87,027	....
Trucks and Buses:				
Domestic sales* (September)	923	719	9,790	4,775
Factory output (September)	▲1,368	1,450	21,654	9.231
Exports (September)	▲4.208	3,356	40,685	15,945
Construction—				
Building permits (September) $	2,247,784 $	1,986,903 $	19,024,000 $	16,394,014
Contracts awarded (Oct.) ... $	11,152,700 $	15,014,300 $	109,297,800 $	78,445,000
Newsprint (tons)—				
Production (September)	196,172	179,416	1,882,207	1,448,552
Exports (August)	183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—				
Melting & shipments§	87,892,557	76,857,654	601,084,210	572,578,024
Manufactured§	86,934,082	87,616,868	587,062,267	573,374,868
Flour (bbls.)—				
Production (September)	1,383,205	1,392,683	10,338,837	10,401,681
Wheat flour exports (Oct.)	▲485,549	514,368	4,208,597	4,604,639
Trade (September)—				
Imports $	42,207,602 $	38,698,416 $	377,249,292 $	281,064,416
Exports $	58,135,136 $	57,784,804 $	459,164,136 $	359,947,804
Wheat exports (bush.) (Oct.)	▲21,807,784	23,611,510	131,807,089	151,672,940
Employment (Oct. 1) D.B.S. Index—				
All industries	100.0	90.4	....	....
Manufacturing	94.4	86.7	....	....
Electric Power Output (September)—				
Total monthly (000's omitted)	1,627,289	1,489,322	15,278,820	12,525,146
Aver. daily	54,243,000	49,644,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (September)	123,163	112,039	1,023,953	613,855
Boot & shoe prod., pr. (Sept.)	▲1,704,677	2,035,525	14,223,517	15,071,463
Crude petrol. imp. gal. (Sept.)	118,210,821	108,097,228	792,997,113	605,947,117
Cotton imports, lbs. (Sept.)	▲7,669,000	7,409,000	94,108,000	68,549,000
Raw rubber imp., lbs. (Sept.)	6,205,577	5,868,575	46,991,664	28,639,451
Coal imports, tons (Sept.)	1,593,859	1,464,060	9,803,038	7,934,798
Finance—				
Bank debts† (September) ... $	2,580,851 $	2,457,108 $	23,324,418 $	21,828,717
Bond sales (September) $	17,065,600 $	777,099 $	325,832,572 $	299,292,551
Life insurance sales (Sept.) .. $	26,123,000 $	27,443,000 $	274,818,000 $	282,392,000
Automobile Financing—				
Used cars (September) $	1,040,121 $	764,400 $	11,150,535 $	8,491,244
New cars (September) $	1,352,349 $	836,969 $	14,383,683 $	8,573,464

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to October 6. °Final.

URGES INDUSTRY TO THINK TWICE ABOUT EXPANSION

F. B. I. Quarterly Forecast Says Britain Can Expect Reverse

Urging manufacturers to be cautious in expansion during the fourth quarter of the year, the Federation of British Industries quarterly forecast of business describes the period through which Britain is passing as "the prosperity phase" of the short-run business cycle. The forecast states that it is a time when it is often wiser to put off till tomorrow the manufacture of the goods which, by increasing the speed of production, might equally well be produced today.

In detail, the forecast of the F.B.I. states:

"The recovery of British trade has reached a condition which in technical language may be described as the 'prosperity phase' of a short-run business cycles.

"This is the phase in which new investment and industries make headway; it is also the phase in which over-acceleration in existing investment and industries is liable to produce the conditions which induce a recession. It is therefore a time for the exercise of prudence and restraint; a time when it is often wiser to put off till tomorrow the manufacture of the goods which by increasing the speed of production might equally well be produced today.

Need For Caution

"The need for urging caution at the present stage is reinforced by the trend of development overseas. The forecast in our issue for the first quarter of this year, that the first phase of President Roosevelt's policy was doomed to failure, has been justified in the event. Uncertainty and doubt are once again in charge of the U. S. business outlook.

"On the Continent of Europe conditions are equally unsettled. The serious endeavors being made by the Gold Bloc to arrive at a common accord for mutual defence and support, are dictated more by fears of a further depreciation of the U.S. dollar than by purely commercial considerations. Similarly, Dr. Schacht's policy for making Germany self-sufficient in raw materials, though doubtless impossible of a more than limited immediate fulfillment, is in a large measure dictated by a pessimistic view of the international situation."

Ontario Truckers Press Requests For Legislation

Ontario truckers want minimum wages for employees, strict rate control, better enforcement of present laws and the issue of fewer licenses to operate, according to a memorandum presented last week by the Automotive Transport Association of Ontario to Hon. T. B. McQuesten, K.C., Ontario Minister of Highways.

Rate cutting, exploitation of employees and competition from unlicensed operators has resulted in deplorable conditions in the business, it is stated. Lax enforcement of present laws also causes considerable trouble. Proof of financial responsibility should be necessary from applicants for new licenses, it is suggested.

There is nothing exactly new in the memorandum, it being merely presented to Mr. McQuesten to inform him of the situation, previous negotiations having been carried out with Hon. Leopold Macaulay of the former government.

The Automotive Transport Association is supported in its requests for standard rate schedules and labor conditions by the Canadian Industrial Traffic League and the Canadian Manufacturers' Association. No immediate action is expected, but it is hoped that Mr. McQuesten will favorably consider the requests made.

Commodity Prices

BETTER weather reports from the Argentine affected Winnipeg and Liverpool wheat prices at the beginning of this week, after a week of bullish news from that country. Export demand was too small to halt the decline.

Monday was a holiday on United States commodity exchanges. Trading last week was light in view of the elections.

Commercial markets in Canada remained firm during the week, cattle being in better demand than for some time.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.00	$5.25	$4.65
Copper, lb.	.09	.09	.0825
Cotton, lb.	.1260	.1235	.1005
Rubber, lb.	.1331	.1295	.0838
Sugar, raw, lb.	.0286	.0282	.0330
Silk, lb.	1.25	1.22	1.55
Wheat (Man.) bu.	.79	.79½	.64⅞
Coffee, lb.	.09⅜	.09¼	.07⅛
Hogs	8.25	8.85	6.50

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	116.2	115.1	104.7
Fishers'	78.9	78.7	†63.6
N. Y. Journal of Comm.	76.1	75.6	71.5
Crumps (Brit.)	63.7	63.9	†63.4
U. S. Labor	76.2	76.4	70.4
Canada (D.B.S.)	71.1	71.2	...

† Average, 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)	79.0	78.7	78.5
Retail (Sept.)	72.0	72.3	68.9
W'sale (Sept.)	76.4	74.8	69.5
U. S. Labor (Aug.)	71.2	69.8	69.2
Gt. Brit. (Aug.)			

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Anglo-Canadian Chamois Co. has been formed to process chamois hides in Hamilton. About 10 men and 10 girls will be employed, it is stated. Currie Gardner is president and H. Jones plant superintendent.

Dominion Woollens & Worsteds Ltd., has completed several additions to its Peterborough plant, including a two story building 100 by 73 feet for storage purposes. Plant offices have also been extended.

York Paper Mills, Ltd., was recently organized in Toronto for the manufacture of tissue and other light weight paper specialties, according to Industrial Canada. Space has been leased in the plant of Dominion Box Boards, Ltd., and equipment installed. W. A. Crawford is president and general manager.

Belleville Foundry, Ltd., is establishing a plant in Belleville, Ont., and expects to begin production of rolled metal products in January, according to the Ontario-Intelligencer. Fred Hindle is manager.

Lockmow Manufacturing Co. has established a small plant at Summerland, B.C., to manufacture floor sweeping compounds, according to the Penticton Herald.

International Harvester Co. has commenced manufacture of McCormick-Deering cream separators at its Hamilton plant, under arrangement with the United States company.

Toronto Industrial Commission announces the following expansions:

Aulcraft Paints, Ltd., has arranged to manufacture in Canada the products of Nu-Enamel Corp. of Chicago. The latter company intends to organize a Canadian subsidiary to supervise sales and distribution.

Swift Canadian Co. has awarded a contract for construction of a new lard storage and shortening refinery building to cost about $50,000.

DUNCANSON, WHITE & CO.
STOCK AND BOND BROKERS

Members—Toronto Stock Exchange
Associate Members—New York Curb

5th Floor, 15 King Street West Toronto

Private wire connections to New York, Chicago, Montreal, Winnipeg, Vancouver, Halifax, St. John, Fredericton, Quebec, Three Rivers, Sherbrooke, Victoria.
2

British Market Grows For Canadian Hardware

Expansion of the export market for hardware lines, particularly in Great Britain, has been a feature of trade during the past year, it is revealed by recent trade returns. In the twelve months ended August, 1934, for instance, exports of hardware and tools totalled $1,781,173, of which $1,179,143 went to Great Britain, while in the same period ended August, 1933, total exports were only $825,149 and exports to Great Britain $425,711.

Wire, wire nails and needles and pins have led in this gain in exports. In addition, many other lines have shown good increases and demand from the British trade is continuing.

Two other items in the iron and steel group, rolled bars and rods and sewing machines, show large increases in export value, only the former, however, going in any volume to the United Kingdom.

Leading hardware exports are shown in the following table:

Twelve Months Ended August

Hardware Lines	Total 1934	1933	To United Kingdom 1934	1933
	$	$	$	$
Tools	725,027	420,562	283,694	197,556
Needles & pins	707,156	474,896	561,945	376,010
Wire	659,791	122,053	220,517	10,874
Wire nails	217,062	19,331	171,126	45
Other Lines				
Rolled bars of iron	871,128	16,453	809,888	......
Sewing machines	1,148,820	524,351	6,878	230

Beef Sent to Japan

Canada exported nearly one hundred tons of frozen beef to Japan during the first six months of 1934 as the result of a movement which started early in the year.

We Three Are Protected

IN your home there may be just such a trio—a cuddlesome baby, an adoring mother and a proud father.

Each of you needs protection—the real protection which only Life Insurance can provide.

If you are a mother, you and your child must always be sure of food, clothing and a home. These can be guaranteed through Life Insurance.

If you are a father, you need to safeguard your savings—to build up a financial reserve against the time of your retirement.

And, for your children, you can provide the necessary money for their education through Life Insurance.

Any Life Insurance representative will gladly advise you how easy it is to obtain such complete protection for your family.

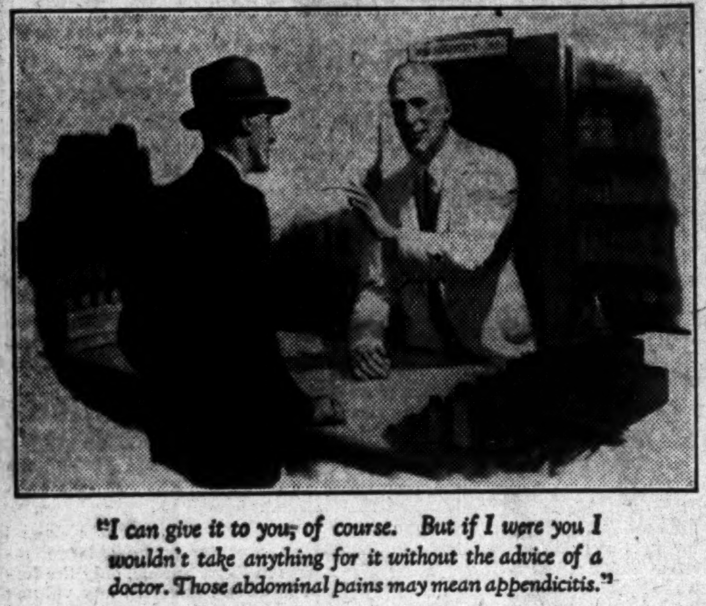
Hold Fast to Your
Life Insurance

Guardian of Canadian Homes

L-1634C

One of a Series of Messages Sponsored by Life Insurance Companies

Appendicitis Warnings



"I can give it to you, of course. But if I were you I wouldn't take anything for it without the advice of a doctor. Those abdominal pains may mean appendicitis."

THE symptoms of appendicitis vary. Almost always, continued pain and tenderness in the abdomen are the first indications of an acutely inflamed appendix. Of course, not all intestinal aches are caused by appendicitis, but anyone who has continued, unrelieved abdominal pain, especially if it is accompanied by nausea or vomiting, needs competent medical attention at the earliest possible moment and not self-medication.

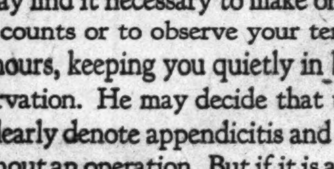
If it is appendicitis the use of a laxative is dangerous. It stimulates violent intestinal action and may spread the inflammation, cause the appendix to rupture, or induce peritonitis. Moreover, the sufferer should not be given food, drugs or medicine of any kind unless prescribed by the attending physician.

Send for your doctor immediately if there is any suspicion of appendicitis. In making his diagnosis he may find it necessary to make one or more blood cell counts or to observe your temperature for a few hours, keeping you quietly in bed under close observation. He may decide that the attack does not clearly denote appendicitis and can be relieved without an operation. But if it is a clear case of acute appendicitis, he will probably recommend an operation within the shortest possible time.

Performed by an expert surgeon, early in the attack, before the appendix has burst or peritonitis has begun, an operation for acute appendicitis should cause little concern.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT



CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

Trust and Loan Co. Make Call on Stock

From Our Own Correspondent

MONTREAL. — Directors of the Trust and Loan Co. of Canada have made a call on the shareholders of 5 shillings a share, payable in instalments of 2 shillings and 6 pence on February 6, 1935, and a like amount on May 1, 1935.

The call is for the special purpose of repaying debenture bonds and debenture stock.

The shares are of £2 par value, of which 15 shillings are now paid up. After the present call will have been paid, the shares will be 50 per cent paid up.

Paper Tokens

MUCH of the world's wealth is represented by Paper Tokens. When this is considered it will at once be apparent that the making of these "tokens" is a matter of the utmost importance. They must have dignity equalling their value . . . and they must be as incapable of illegal duplication as only the skill of trained artists can make them.

For over a century the Canadian Bank Note Company has designed and printed bank notes, bonds, and all manner of monetary documents with such distinctive design and workmanship that any attempt to duplicate them ends in sure and abrupt failure.

This service we have been rendering for over 100 years

EXPERT and EXPERIENCED Engraving and Printing of Bonds and Debentures Stock Certificates Bank Notes Cheques Drafts Postage and Revenue Stamps and other Monetary Documents

CANADIAN BANK NOTE COMPANY LIMITED

Head Office and Works—OTTAWA

—Branch Sales Offices—

TORONTO MONTREAL

U. S. A. BROKERS IN MANY MERGERS AS COSTS MOUNT

Higher Charges Result from New Exchange Act

By DR. GAINES T. CARTINHOUR
New York University

NEW YORK CITY.—The effects of the U. S. Securities Exchange Act are significant. The necessity of reducing expenses because of the drop in income has forced a number of commission houses to merge, consolidate, or make arrangements which eliminate competing branch offices, reduce clerical expense, wire charges, and rent. Many negotiations are now being carried on, according to authentic reports, through a "matrimonial agency" (or "marriage bureau") created by the Association of Stock Exchange Houses for firms having conjugal intentions or leanings. Some of the outstanding organizations in Wall Street are said to be involved.

Practically every securities firm is seeking to cut expenses to the limit through discharges, stagger systems, wage cuts, and reduction in plant equipment. The total number of branches in New York City have been cut from 1,668 in 1930 to almost 1,000 today. Hope of cutting further the costs of transferring securities has been indicated through a revival of interest in a central depository system. Those supporting this plan believe it now has a chance to be put into effect.

Membership Values Decline

The decline in the volume of trading has also caused a substantial decline in the value of New York Stock Exchange memberships to approximately the fifteen year low mark of $68,000, established in June, 1932. However, seats sold as high as $190,000 in January of the present year. Some observers believe the recent publication of the first N. Y. Stock Exchange balance sheet indicating the liquidating value of memberships at about $20,000 has been a contributing factor. The general feeling in Wall Street is that the value of memberships will decline still further when, as, and if the Securities Exchange Commission decides to limit the activities of specialists. Representatives of the commission have been studying floor practices and it is believed that important changes are imminent.

There have been reports that the Federal Reserve Board is going to devote further attention to the problem of margins and probably revise its rules in this connection. This body has issued so many interpretations on margin rules that customers have generally given up following them, but brokers are vitally concerned since they are liable under the law. The latter have just adjusted themselves to a very complicated situation and do not look forward to more margin perplexities with any degree of enthusiasm. Any new U. S. regulations in this connection would not affect trading in Canada to any material extent, due to the conservative policies already in effect in the Dominion.

N. Y. S. E. Owns $44,000,000

For the first time since the N. Y. S. E. began under that historic buttonwood tree on lower Manhattan Island, the public has some idea of its financial status. Total assets are listed at about $44,000,000, and operations for last year showed a net loss of $199,121 after a total income of $7,500,000. Operations would have been carried on at a profit if one of the two 10 per cent pay cuts had not been restored.

This is a fairly good showing for the N. Y. S. E. considering the drop in the volume of business since 1929 of almost 50 per cent, share volume declining from 1,124,990,980 in that year to 654,874,210 last year. To date in 1934 business has been very slow and aggregates only 278,566,477 shares, which probably means that the 1934 statement will not be as satisfactory as that for 1933.

After a strong protest, the N. Y. S. E. has finally been compelled to submit to the same publicity which it has required for many years from listed companies. The details of its balance sheet have been a closely guarded secret and not generally known even among its 1,375 members. The report shows the institution was caught in the failure of a large New York bank, the Harriman National Bank, with a deposit of $205,618. From the point of view of the public, it is more important that member firms submit frequent financial reports than the N.Y.S.E., because the public does not deal directly with the latter.

Plans Publicity

It is probable that an aggressive publicity campaign is planned by the N. Y. S. E., utilizing its missionary force of about 9,000 to circulate pamphlets, books, make addresses, have motion pictures presented showing how work is carried on in the quotation department and stock clearing offices and on the trading floor. Such extensive publicity has never before been attempted by this body and there is little reason to doubt the big board is going in for more and, it is hoped, better publicity. Several important additions have already been made to its publicity department.

One of the outstanding criticisms of the N Y. S. E. is that it keeps its findings secret whenever an investigation is made into the trading in a given stock. The attitude of the governing officials has always been that it is nobody's business—not even the stockholders'—even if the survey involves the officers of a company. For its own good the N. Y. S. E. should always tell the whole story. Anything else implies an attempt to cover something up and does not look good to the public, or at least that part of the public that is interested in such matters. Secret hearings and unpublished findings are most undesirable from whatever point of view.

It is expected that the cost to the government of regulating the security business will aggregate at least $2,000,000 annually, or about four times the revenue that is expected from this programme. The present levy of one five-hundredths of 1 per cent of the dollar amount of sales will probably have to be increased.

Russia Today

by ERIC G. ADAMS

Living Conditions Show Improvement—Equality of Wages Has Been Abandoned as Policy

The Author

In this group of articles Mr. Adams will tell about what he saw during a month in Russia this fall.

The author is a young Canadian, a McGill and Harvard Business School graduate, now secretary of the Newsprint Export Manufacturers Association of Canada.

No Communist, he has been a long distance student of Russia for many years and prepared himself for this trip, which he took with his wife, by studying the Russian language. He covered the Eastern European part of Russia from north to south by railway, airplane and motor car, passing twice through the Ukraine in different sections.

Mr. Adams has endeavored to present his impressions free from bias. Any opinions expressed are his own.

People in the U.S.S.R. are neither dying of starvation in the streets, nor are they living a Utopian existence.

Prosaic as it is to hold to the middle course between these two exciting extremes in describing conditions, this is what the truth demands. In travelling through European Russia from the Gulf of Finland to the Black Sea, I had it continually forced upon me that conditions were neither as bad nor as good as the Capitalist and Communist propagandists respectively would have us believe.

Lower Standard of Living

The average level of existence in Russia is definitely below the average of the employed in America or England. As a friend of mine put it tersely: "You miss the rich in Russia!" There are few smartly dressed women, gleaming limousines, or fascinating shop windows to be found along the streets, to sweeten the observer's impressions. There are a few beggars in rags hanging about church doors, as in eastern countries, for to this status gravitate the down-and-out whites and others who will not work. On the other hand, there are no involuntary unemployed, and the crowds in the streets for the most part both look and act as though they are happy.

It must be kept in mind that Russia is some years behind America and England in economic development. Two many observers fail to take this into account, and consequently the shock of seeing this lower level of existence upon arrival, effects an unconscious bias toward everything else they subsequently see in the U.S.S.R.

Payment by Merit

Let us begin with the income side of the family budget. At present in "classless" Russia there are several categories of income recipients. The belief that all workers receive equal wages is far from the truth. This is readily admitted by the Bolsheviks, who explain that such a communistic conditions cannot possibly be attained for many years yet. A definite attempt is made to determine salaries and wages in accordance with the value of the work performed. An exception is made, however in favor of dangerous or unhealthful work, where wages are higher and hours shorter than in other classes of work.

The manager of a large industrial plant, for instance, may receive as much as 1,200 or 1,500 roubles a month. Engineers and highly skilled workers receive somewhat less. An electrical engineer I met on the train between Leningrad and Moscow received 150 roubles, which, I suppose, is about the maximum for that class of work.

Lowest Paid Classes

Farther down the income scale come the semi-skilled and unskilled workers — an assistant locomotive driver (a girl by the way) in the Red Putilov works in Leningrad was getting 165 roubles. Workers on a state farm near Dneiproges in the Ukraine received from 80 to 130 roubles a month for working an eight-hour day. Workers on collective farms have a much smaller money income, but they receive a considerable part of their pay in produce which they can dispose of as they please (i.e. sell it for what they can get in an open market) Scientists and some professional people now receive perhaps a little more than the highly skilled workers.

Additional Perquisites

A considerable levelling of these categories, however, is accomplished by the allotment of various privileges. Unskilled workers, for instance, obtain the prime necessities of life in food, clothing and living space at the lowest prices. Factory employees get at least one meal a day at the factory restaurant at very low cost, and they can also purchase a minimum rationed quantity of food and clothing at the factory store at low prices. All categories of workers can also purchase in their respective co-operative stores (provided they are members) where prices are higher than in the first class but still are not exorbitant.

Foreign specialists are now treated just about the same as Russians doing similar work, except that the foreigners can purchase in special "Insnab" stores reserved for them. These carry goods not readily obtainable elsewhere at not out-of-the-way prices.

As might be expected, agricultural laborers fare somewhat better in regard to food, but probably pay for this in other ways. The workers on the state farm above-mentioned pay 60 kopeks for three meals daily.

Prices High in Open Stores

A further class of store is the "open" store, where anyone can trade whether he has special workers' privileges otherwise or not. Consequently it is here that the non-workers and old people who are being supported by their families must buy, and prices are very high. Workers who want more in the way of clothes or food than their allotted quota at their special "privilege" stores must purchase here, as well as those who desire luxury goods not yet obtainable in factory stores and co-operatives. The electrical engineer I mentioned above wanted an additional suit of better quality than the average and had to pay 300 roubles for one in an open store.

Torgsin stores are a special kind where both staples and luxury goods are obtainable, but can be purchased only with foreign currency, gold or jewellery. These stores are now to be found everywhere in Russia, and their existence has been valuable both to the government as an important source of foreign money to help in paying for imports, and to those people who have no special purchasing privileges. The rate at which foreign money is converted at Torgsin is unfavorable, but prices are quite low to adjust this, i.e., you get only a little over a rouble for a dollar, but this buys a fair amount of goods.

Open Market Trading

The remaining type of store is the only one wherein private trade exists, that is, in the open markets. All other stores, even little soft drink kiosks and pedlars on the street are government employees. As a matter of fact, shortly before I arrived in Leningrad, even the bootblacks had been nationalized. For the most part these open markets contain farm produce which individual peasants and collective farm laborers bring into the city to sell. Usually tucked away in one corner, or along the wall of an adjacent building, is a section where the veriest junk and trash is offered for sale. The vendors are usually old people apparently in the last stages of destitution, sitting before the smallest collection of old nails, broken hinges, and shoe uppers, ever forming a retailer's stock in trade. Presumably these are old whites who cannot bring themselves to conform to the present system, or chronic shirkers of work, but they certainly are pitiable to see. Fortunately there are now very few of them.

Now More to Buy

Apparently a turn in the trend of prices and supply of consumption goods available for purchase took place about the end of 1931. Several Russians told me that prices had continued to amount until two years ago, but that now they were declining again. Some tourists who had been in Russia in 1931 also confirmed this condition, stating that far more stores were now open in Leningrad and Moscow and that the supply of goods in the stores was much enlarged. A lady in Leningrad told me that two years ago some articles were absolutely not obtainable, but that now they could be had at a price at least. Certainly, there are now very few empty shop windows. The variety of the goods is still much restricted in comparison with our stores, and of course the quality is much lower. Clothing I saw in shops in Leningrad, Moscow and Kiev, for example, would be about the same quality as that to be found in many of the stores in the east end of Montreal. While I was in Kharkov a fashion show was in progress where new designs for clothes were exhibited and the people asked to vote for their choices. On the basis of these votes the designs and quantities of each were to be determined for fall production.

Canned Luxuries

Food for the average man would not be considered good by our standards. Still the black bread in the north of the U.S.S.R. was no blacker than that I saw in Poland and Germany. The farther south I went the whiter the "black" bread became, and the supply of meat and vegetables more plentiful. Canned goods are quite a luxury. At a supper party kindly given in honor of my wife and me by a worker and his family in Moscow, our host proudly produced some canned salmon and sardines as the chief dishes on the menu.

Drug stores or "aptiekas" abound, and contain a fair supply of cosmetics as well as drugs and sundries. Cosmetics, by the way, are much in evidence elsewhere than in druggists' windows. The girls are doing their best to relieve the drabness of Russia, enthusiastically if not too artistically. Drugs and medicines are still on the short list, and one is quite likely to go to a druggist's for aspirin and find none available, but the situation is apparently much improved over a few years ago.

Reading News on Walls

Plentiful as the drug stores are, however, they do not begin to approach the number of bookstores. Big stores, little stores, and kiosks, all selling books and magazines exclusively, are literally everywhere, sometimes three or four in a row on busy streets. With the jump in literacy the demand for reading matter has skyrocketed, so that large reprints of old classics together with all the new books do not approach saturating the market. The daily papers, as well as being available at stands, are posted on many streets, and in the parks. The "wall newspaper" is an important feature of Russian life, and is to be found in factories and clubs, compiled by the members as comment and criticism of what goes on around them. There are also a great many flower shops which make up for a great deal of drabness.

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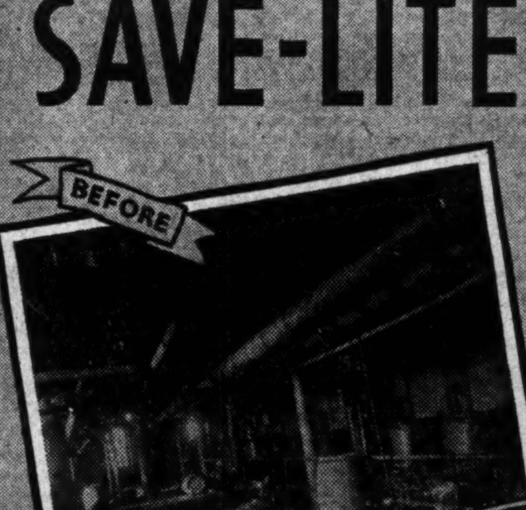

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Shawinigan

[P]lease let me have a report on [Sha]winigan Water and Power Co. [I ha]ve held stock in this company [for] several years and would like [a re]port as to its present position.

[Sh]awinigan Water and Power Co. [has] been reporting substantial in[creas]es in sales of energy. It is ex[pect]ed that the total for 1934 will [esta]blish a new record. Earnings, on [the o]ther hand, have not kept pace [with] sales for the reason that the [com]pany has found it necessary to dispose of an increasingly large amount of secondary power at low rates. Since the beginning of the current year, however, the position of the company has undergone an improvement. The official quarterly statements have indicated that the company will have no difficulty in covering its common stock dividend requirements. We do not anticipate, however, that the management will increase the dividend on the common stock as it will likely follow the policy of conserving its liquid resources in order to take care of capital requirements and the redemption of a short-term note. The outlook for the company, on the whole, is better than it was a year ago and it is to be expected that the trend of earnings will be on a more favorable basis over the next twelve months.

Canada Tea Co.

Can you give me some recent information on Canada Tea? This company is not paying dividends.

The stock of Canada Tea Co. is very closely held and there is not a great deal of information available other than that contained in the annual balance sheet. The company does not issue an income and surplus account. As at June 2, 1934, the end of the last fiscal year, the company had total assets of $756,566 as compared with $732,000 for the previous year.

Current assets consisted chiefly of accounts receivable which after a reserve for bad and doubtful debts amounted to $205,776 as against $198,096 in 1933. Current liabilities totalled $63,826, chief of which was a bank loan of $42,000 and accounts payable of $19,426 and accrued wages of $16,034. This compared with total liabilities at the end of the previous fiscal year of $22,307. Inventory was up from $54,392 in 1933 to $65,654, while surplus of $188,140 was down from the $205,839 reported in 1933, indicating losses in the year.

A few years ago the company began paying off arrears of preferred dividends by raising the rate to ten per cent per annum, but shortly afterward successively reduced this to one per cent per quarter which was last paid in September, 1933. Since that time there have been no more dividends and the arrears on the preferred amounted to 43½ per cent at the end of the last fiscal year.

The company does a wholesale and retail business in teas, coffees, spices, etc., operating branches at several points in Ontario. The rise in accounts receivable to the large figure reported last June would indicate that collections by the drivers of the company's vehicles has not proved entirely satisfactory in the last few years.

Canadian Locomotive

I would be glad of any information you would give regarding the progress being made by Canadian Locomotive Co., in whose bonds I am interested.

Canadian Locomotive Co. defaulted its bond interest on July 1, 1932. In December of the same year, bondholders proved a plan of capital reorganization, subsequently ratified by preferred and common shareholders, which provided for the issuance of new securities in exchange for securities held on the following basis: Equal amount of new six per cent first mortgage income bonds, due 1953, or six per cent first mortgage sinking fund bonds, due 1951, and two new common shares for each $100 principal amount of bonds held. Interest and sinking fund payments on the income bonds, due 1953, or six per cent first mortgages will be paid only out of earnings. No interest payments are to be made for the years 1932 and 1933, interest becoming cumulative January 1, 1934. Sinking fund payments commence July 1, 1937, and will be cumulative although non-payment of installments will not constitute a default.

Three persons were nominated by bondholders to hold three management and preferred shares, electing all directors for a period of five years to and including 1937, when management preferred shares automatically become common shares.

Columbia Natural Gas

Enclosed find selling circular of the Columbia Natural Gas & Oil Syndicate operating in Ontario. Is this investment as promising as shown?

We note that the selling circular of Columbia Natural Gas and Oil Syndicate is not dated. Therefore, we are unable to state when the company decided on its stated drilling programme or when it gave the contract for the drilling of 12 wells "immediately." Our records show that the company drilled a well in 1933 and two more in 1934. So far as we know, these three wells are the accomplishment to date. They were fairly successful and the open flow of two of them is greater than the 25,000 cubic feet per well per day that they were estimating. It is doubtful, however, if from all three, you could count on that amount being delivered consistently through pipe lines from each well.

There was one quite successful well drilled by another company in the north end of Dunn township but there have been a number of dry wells drilled as well by other companies. If the company pays a dividend, shareholders should consider whatever is paid as part return of capital. Gas wells are subject to depletion and though some of the wells in this district have had a fairly long life, this point must always be taken into consideration.

The last two paragraphs of the circular are interesting mathematical calculations as to large revenues if 12 wells produce 25,000 cubic feet each daily. Nature, however, fails as a rule to follow mathematical formulae laid down and in the end the value of this investment will be determined by unknown returns from wells whose flow cannot be determined until they are actually completed.

Imperial Tobacco

Would you please tell me why Imperial Tobacco is at $12 and paying a six per cent dividend? Do you feel it is a good investment at this time? What has been its highest point?

There appears to be some confusion in your mind between the market value of Imperial Tobacco stock and its dividends. The common stock of Imperial Tobacco has a par value of $5 and is currently selling around 12, or at a premium of 140 per cent. The company pays a regular dividend of seven per cent and not six per cent as you mention in your letter. In other words the regular dividend amounts to 35 cents a share. In addition, however, the company pays a final dividend of 3½ per cent which brings their distribution per share up to 55 cents; accordingly the return on the present market value is approximately 4.6 per cent.

The fact that the stock of Imperial Tobacco Co. is selling at such a substantial premium is indicative of the market attitude toward this stock. The company dominates the Canadian tobacco industry, controlling between 70 and 75 per cent of the retail trade. Its earnings power has been well established and returns to shareholders have been consistently good.

The record high of the stock was established this year, when it touched 12¾.

Quebec Utilities

For several months past I have been following developments in the Quebec public utility field, and have come to the conclusion that the companies' relations with the public are not as strong as they might be. I also have a feeling that the market value of the utility stocks will not discount the future so heavily as in the past. I would like to have your views on this matter.

Conditions in the Quebec utility field in the past eighteen months have not been conducive to confidence in utility securities. There has been an agitation for municipalization or lower domestic rates which has had the effect of weakening confidence in the outlook. While Montreal Power has not been affected as much as some of the other companies, it too has been forced to face this situation by arranging a new schedule of rates which will place their tariff on a more scientific basis.

Others share your feeling that the Quebec utility companies have probably seen their best days and that in future, prospects of the operators will not be as heavily discounted as in the past. It is to be expected, therefore, that in the event this premise is correct, the stocks will sell more on a yield basis than on what they might do in the future as has been the case in the past.

English Electric

Will you kindly give me a report on English Electric of Canada? The annual statement of July 12, 1934, showed an operating loss and I am desirous to know if that loss is continuing.

For the second time in the 22 years history of the company, English Electric had an operating loss in 1933. This amounted to $101,935 as compared with approximately $70,000 loss the previous year. Except for $28,500 in 1932, no dividends have been paid since 1931. The company has maintained a strong liquid position with current assets in excess of current liabilities at the end of the last fiscal year (Dec. 31, 1933) fo $723,292. The decline in the company's earnings is explained by the drastic falling-off in the demand for electrical equipment in 1932 and 1933.

So far in 1934, we understand, there has been a material improvement in the situation with business in the first few months of the current year about double that of the same period in 1933. Last August the company appointed a new general manager in the person of Andrew S. Tait, who was also appointed vice-president and general manager of the Canadian Crocker-Wheeler Co., a subsidiary of English Electric.

Hudson's Bay Co.

My husband died recently, leaving in his estate some shares, of Hudson's Bay Co. ordinary stock. Can you tell me whether it is good, bad or indifferent?

The ordinary stock of Hudson's Bay Company has had its situation improved in the last two years. Though dividends have not been paid since the year ended May 31, 1930, the period of large losses was apparently checked in the year ended January 31, 1934 when a surplus of $28,753 was shown after depreciation. The situation is not likely to be immediately profitable to holders of ordinary shares because the deferred dividends on the 5 per cent preference stock have to be made up for the last four years. It is encouraging, however, to know that the preferred dividend was earned to the extent of 1.44 per cent in 1933.

Working capital of the company remains strong and it is probable that the company will gain continued advantage in the next period of active business in Canada, from the enforced economies, and the drastic nature of the reorganization of methods and personnel effected during the depression.

Monarch Knitting

I have just come into ten shares of Monarch Knitting Co. preferred stock as part of an estate. What is the position?

The position of these shares looks more favorable in 1934 than for many years. For the last two years there has been a great improvement in earnings available for the seven per cent preferred stock.

Until 1934 dividends had not been paid since 1930. More than $6 a share have been declared and paid on arrears during 1934 to date. Total arrears on the stock amounted to $48.25 a share.

The company's position continues attractive, though one cannot say what would be the result if there was a reduction in tariff next year. That would not necessarily occur but the issues of the 1935 Dominion election have yet to be made clear as to tariff on textiles, but there is enough to show that the general proposals of Liberals will be for reduction.

Commercial Finance

Please give me any information you may have on Commercial Finance Corp.

Commercial Finance Corp. is being reorganized. The company formerly operated under a Dominion charter and is being taken over by a new company with an Ontario charter. The reason for the change in charter, it is understood, is that the company holds considerable real estate and the Ontario incorporation will give more latitude in the handling of this property.

Shareholders in the former Dominion company are to receive new no par value shares in the Ontario company on the following basis: Five new no par value shares for each former $100 preferred share, ½ new no par value share for each former common share.

The reorganization has not been completed as yet, but is being delayed only by details. Some changes in the values of assets to bring them more into line with present values are expected to be made as a result of the reorganization. The change in par value shares, for instance, would allow considerable write-downs of assets.

The former Dominion company had an issued capitalization of 3,181 preferred shares and 8,000 common shares. Dividends on the 7 per cent $100 preferred shares were in arrears from December 31, 1931.

Brewers & Distillers

I should be glad of your opinion on Brewers & Distillers of Vancouver. I am aware that the chairman and his son were arrested in the United States on a charge of smuggling and resigned from the board of the company. It has also been announced that the United States revenue was also taking a lawsuit against the company itself (or one of its subsidiaries). Is the position likely to remain uncertain for a long time with consequent weakness of the shares?

Brewers and Distillers of Vancouver apparently is involved to some extent in the suits being taken against its former chairman and his son. The latter have resigned from the company. At first it was supposed that it was only a subsidiary which would be affected, but later announcement by the board stated that this was incorrect. It is stated, however, that excellent counsel has been employed and that in his opinion, the company has a good chance in the suits which are now being conducted. So long as the suits are not settled, one can naturally expect weakness of the shares.

Can. Paving & Supply

Could you let me know what progress is being made in the liquidation of Canada Paving & Supply Corp?

Liquidation of Canada Paving & Supply Corp. by Guaranty Trust Co. of Windsor, it is understood, is proceeding slowly, but fairly satisfactorily. The ordinary creditors, we are informed, will be offered approximately 65 cents on the dollar in the near future and if this arrangement is acceptable, there will be about $100,000 left for the bank. Bank claims have been reduced from approximately $350,000 some time ago to the present figure. It has been determined recently that the banks have definite claims on certain assets which were formerly believed to have been the property of the ordinary creditors.

The situation has been involved due to the various subsidiaries, but now seems to be fairly well straightened out. After the banks will come the claims of the preferred shareholders, and while nothing definite has been announced, it is understood that there may be something left for this class of security holders also. Details of the new arrangement are expected to be completed in a short time and the creditors will then be asked to give their approval of the reduced claims.

Cosmos Imperial Mills

I would appreciate any particulars you may have regarding Cosmos Imperial Mills bonds.

Bonds of Cosmos Imperial Mills outstanding only amount to $799,600. They are due in 1944 and are payable in Canadian funds. They are redeemable on any interest date on 60 days notice at 104 to November 15, 1934; 103 to November 15, 1939 and 102 to maturity. For the fiscal year ending December 31, 1933 this company had a net profit of $102,026 as against $49,142 in 1932, after all, expenses, depreciation, taxes and bond interest. This indicates that the bond interest has been earned by a comfortable margin. Previous to this period net profits ranged from $83,039 to $229,666. Equity per $1,000 bond was estimated at $4,364 in 1933 and $4,212 in 1932.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Great Bear Development

Will you please give me some information about Great Bear Development? I hold some stock and would like to know what this company is doing.

Great Bear Development Co. was incorporated with an Ontario charter on February 1, 1932, to succeed Silveradium Mines Syndicate. The property consists of 55 claims at Echo Bay and an option on 13 claims in Coronation Division, Great Bear Lake, Northwest Territories. The company reports that a vein has been traced for 4,000 ft. on the surface. Earlier in the year the company stated that diamond drilling was to be carried on, but to date we have heard nothing that would indicate this work had been done. Edward Hargreaves, a director of the company, is at present in Great Bear Lake area and will return in December, at which time it is probable the company will make some definite statement on which an estimate of the value of the property can be based. Of an authorized capitalization of $3,000,000 in $1 par value shares, $2,034,619 has been issued as at December 14, 1933. The company's head office is 1116 Federal Building, Toronto.

Brazil Gold & Diamond

A group of us, all subscribers to The Financial Post, would appreciate an analysis of the prospects of Brazil Gold & Diamond Mines.

Brazil Gold & Diamond Mines Corp. is a Delaware company with head office at 19 Dover Green, Dover, Delaware, which owns 19 claims in Diamentia District, State of Minas, Brazil. This property was recently the subject of a thorough examination by engineers who reported that all of the company's properties must be considered as prospects and not as developed mines ready for exploration and that a considerable amount of systematic development work is necessary before the true value of the deposits can be determined. There is sufficient machinery and equipment for the company's present development programme in the field. The company is headed by Chas. T. Brown, of New York. It has an authorized capitalization of $2,000,000 in $1 par value shares of which $1,648,000 is outstanding. Of the outstanding stock, 1,300,000 shares were issued for properties and 348,209 shares sold for cash; 830,795 shares are held in escrow for one-and-a-half years. It is understood that 250,000 shares are under option at prices ranging from $1 to $2.50 per share and that this option expires on various dates from July 1, 1934, to April 30, 1936.

The company's balance sheet as at May 4, 1934, showed current assets comprising cash on hand and in the bank of $65,523. The company has no liabilities other than to its shareholders. This company's stock is listed on the Montreal Curb market.

North Shores Gold Mines

Please tell me the present position of North Shores Gold Mines. Where is its head office?

North Shores Gold Mines is a company owning 600 acres 3 miles south of Schreiber on the north shore of Lake Superior, whose mill, with a rated capacity of 25 to 75 tons per day, started operation on waste rock on October 22 of this year. The mill is still in the tuning-up stage. In 1932, however, 149 tons of ore shipped to Noranda and International Nickel smelters yielded $14,167, with gold at $20.67. The company reports work done indicates two years ore supply above the second level valued at $500,000. The company has an authorized capitalization of $3,000,000 in $1 par value shares of which $2,000,000 are outstanding. The head office is 44 Victoria Street, Toronto.

Kirkland Consolidated

What is the latest information about Kirkland Consolidated Mines please?

Kirkland Consolidated Mines, although owning some claims in Gauthier and McVittie Townships, is at present concentrating on the Grenfell Township claims in the Kirkland Lake area. Considerable work has been done and a shaft has been sunk to over 265 ft. with about 1,000 ft. of lateral work. At the time of writing, the company claims to have intersected some new ore bodies at depth, but cannot supply definite information at this time. As at June 1, 1934, current assets were $43,857 and current liabilities $3,687. The management is apparently sincere.

New Books

A Nation at Work

Study of U. S. Capacity to Produce Reveals Unused Income Possibilities

AMERICA'S CAPACITY TO PRODUCE, by Edwin G. Nourse and associates, a publication of the Brookings Institution, Washington, D.C. Price $3.50.

This is an attempt to get at the answer to the "poverty amidst plenty" riddle.

What would be the lot of the people of any progressive nation if the entire machinery of production could be operated continuously on a practical full-time basis? This would involve not only the efficient use of machinery available but such a distribution of purchasing power that no productive resources would lie unused simply for lack of a market. The Brookings Institution has set out to answer this question in a series of four studies of more than ordinary import. The study is of the United States but the conclusions of this striking case history will have a universal significance.

If, in 1929, the United States had utilized its practical productive capacity to the full and distributed all the products so raised or manufactured, it could have added $125 to the income of every man, woman and child in the country.

What then was there in the organization or functioning of the economic system which caused the United States, even in such a favorable year as 1929, to fail to attain the betterment in material conditions which lay within its grasp?

Not Greatly Over-built

"America's Capacity to Produce" is the first of four studies designed to seek the answer to this question. It makes an exhaustive analysis of American productive capacity, in agriculture, mining, manufacturing, transportation and merchandising. There are individual studies for each trade and industry. Bringing the various studies together, the conclusion is reached that if there were a shifting of excess labor forces from some industries, where they were not needed, to other industries where they were needed, and if the practical balanced capacity to produce were used to the full, there could have been a 19 per cent increase in production in 1929. Of course, at the present time, excess productive capacity based upon depression rates of output is nearer to 100 per cent but the study is concerned with more normal periods and not with depression problems. Comparative figures for previous epochs in American industrial history indicate that an excess capacity of 19 per cent is more or less a normal situation. Thus, one of the main conclusions of the book is that taken by and large, the Americans have not vastly over-extended their capital equipment as is freely alleged. But they did not use it to the full. They did not create the wealth they were capable of creating.

Plenty of Credit

The study of money and credit that accompanies the volume is of particular value in that it challenges very definitely the theory so often expressed that the American credit system was deficient in its ability to provide all the money necessary to finance production and distribution on the highest level. The conclusion is reached after adequate study that the quantity of money and credit was sufficient to take care of productive requirements on the hitherto existing price level. At the peak of the boom period there remained very large excess reserves.

Other Books to Come

The study of capacity to produce is only the first of four books. The second one has already been published under the title of "America's Capacity to Consume" and will be reviewed in an early issue of The Financial Post. To follow is a study of the manner in which capital comes into being. The process by which nominal monetary savings are transmuted into actual capital goods will be studied. This will involve a study of the very important question of over-saving versus under-spending, now such a popular subject with economists on this continent and abroad.

The fourth volume on income and economic progress will bring together the various segments of the investigation for interpretation, diagnosis and possible prescription.

A similar study for Canada would be of the utmost value in helping us to solve some of our national economic and political problems. But failing such a Canadian study, which might be undertaken by one of our universities or by some such organization as the Canadian Institute of International Affairs, all thoughtful economic students in Canada will want to go into the Brookings investigations most carefully.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Textbooks Too?

FOLLOWING charges that the frequent changes in school textbooks was developing into a racket, a special committee of the Winnipeg School Board has been appointed to investigate the situation.

It is claimed that school textbooks are changed every few years largely with the view toward making existing books obsolete and the purchase of new ones compulsory. Parents of fairly large families, who in the old days were able to cut down expenses by having textbooks passed on in succession from the older to the younger children have found their care of the volumes unrewarded.

Whereas twenty years ago, textbooks might be handed down from one generation to another and still remain up to date, now a short session on the top shelf sees the present volumes discarded in favor of some slightly different text by another author.

In Winnipeg, irate parents have insinuated that some of the local teachers are involved in the frequent changes and are in league with publishers for mutual benefit at the taxpayers' expense. The charge that changes in the textbooks were more frequent in Winnipeg than in any other city in Canada was denied by one member of the school board and also the implication of teacher-publisher collusion. However, the investigation is expected to clear up the matter.

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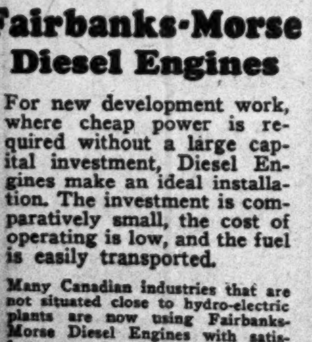
Ont. Agricultural Board Gets Lower Interest Rate

Ontario provincial treasury has reduced the rate of interest on advances to the Agricultural Development Board from 4½ to four per cent. This move follows the announcement that the Ontario savings offices, whose deposits the board lends to farmers, will reduce its rates to depositors to two per cent on Nov. 1.

A year ago the rate charged to the board was five per cent. The Agricultural Development Board reduced the rate it charges on farm mortgages to five per cent last June.

In the service of industry



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Many Canadian industries that are not situated close to hydro-electric plants are now using Fairbanks-Morse Diesel Engines with satisfactory results. Railway companies use them for their pumping stations, towns and cities rely upon them for pumping and lighting. In fact, Diesel Engines have come to the fore as one of the most economical sources of power.

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Alberta's Richard Gavin Reid Approaches Job With Open Mind

New Farmer-Premier is Man of Simple Tastes, Ready to Study All Sides of Every Question

By JOHN DUKE

"I never had any ambitions of any kind," Richard Gavin Reid told newspaper reporters when he was called by the Lieutenant-Governor of Alberta to assume the premiership of the province last July. But then he added "My chief aim has always been to do my duty wherever it may lead," which is an ambition of no mean sort.

Albertans are just beginning to get acquainted with their new farmer-premier who succeeded a farmer-premier who was not a farmer. They have known him 13 years as a hard working utility cabinet minister, but never thought of him as a possible premier. Neither did his wife who remarked, when informed that her husband had been chosen to head the government, "I don't like it. It will interfere with our quiet home life."

Thinks Things Through

Dominant characteristic of this ex-Scottish immigrant boy is a quietly contemplative attitude toward life. He is not excitable. He seldom answers "yes" or "no" even to a simple question. He answers slowly, looking out the window as he thinks, and stating his views carefully with point one, point two and so on clearly demarked. If you take a pause in his remarks to mean that he has finished, he does not interrupt you but listens to you, and then carries on with his remarks exactly where he left off. He may get up from his chair and walk to the other end of the room and back while he is thinking through the problem; more likely he will smoke deliberately and slowly one of the cigarettes that are his only vice and that he has indulged in with due moderation since he was 21.

While he talks he will probably forget that there are two or three cabinet ministers outside waiting to see him.

He will not appear often in print. He does not believe in talking for effect. No doubt he is appalled by the number of bridges Duff Pattullo, in B.C. and "Mitch" Hepburn, in Ontario, burn behind them every day.

Boer War Veteran

Mr. Reid was born in Glasgow 54 years ago, went to grammar school, and was apprenticed for four years to a wholesale dry goods merchant at the starting salary of twelve pounds yearly. He later took charge of a retail store but was interrupted in his career as a merchant by the Boer War in which he served as a lance-sergeant in the medical corps. After two years he was back in Glasgow and was made a freeman of the city along with many others for his war services, but felt that smoky Sauchiehall Street was too depressing after life on the veldts.

In 1902 he migrated to Canada, landed in time to become a farm hand at $12 a month (increased at harvest time) in a Scottish settlement in Southern Manitoba. When winter came he signed on as a worker in the woods with a lumber company. His lumberjack wages were fixed at the indefinite range of $25 to $35 a month since he told the boss that he knew nothing about the job. He was to be paid at the end of the season according to the value he had demonstrated. When spring came he was paid at the rate of $34 a month which suggested that he must have been at least a 90 per cent success at tree felling. Out of the winter's wages he saved $160 and took up a homestead in Northern Alberta. The new farm was 14 days by team from Edmonton and 45 miles from His Majesty's nearest post-office.

Pulled Neighbors' Teeth

Here the ex-lance-sergeant of the medical corps lost his Glaswegian accent, pulled teeth for his neighbors, learned the art of farming and became a minor politician by going on the council of Buffalo Coulee, attaining the locally exalted post of reeve. It is a fair assumption that a deputation of citizens asked him to go on the council and that he assented without pride and without argument.

The United Farmers' movement captured his imagination and he joined the U.F.A., being elected in the farmer landslide of 1921 to the Alberta legislature. Seasoned cabinet material among the new farmer members was scarce. Mr. Reid had never before sat in any legislature. But he had been a reeve and he had served in the army medical corps so in a political group quite barren of experienced ministers he was a logical minister of health and municipalities and got the job. He has been a cabinet minister ever since. In time he became provincial treasurer and achieved some fame for his simple, direct budget addresses. That Alberta avoided some—although not all—of the financial escapades of other western provinces may be due to his Scottish background as much as former Premier Brownlee's somewhat conservative nature.

Plenty of Cabinet Jobs

Since he was always ready to go where duty called, plenty of work was piled on him. Besides being provincial treasurer he was minister of municipalities and minister of lands and mines.

When Premier Brownlee retired last summer there were at least two ministers senior to Mr. Reid. They would not take the premiership and the lieutenant-governor fell back on Mr. Reid who, without a word of protest, accepted the task, moved into his new office, and began to work.

There may be no fundamental change in Alberta policies under his direction but there will be a shifting of emphasis that may in time effect important swings in policy.

He is too thorough in his thinking to be an extremist; too deliberate to be a radical; too human to be a reactionary. He is unlikely to favor temporary expedients when their long term effect is likely to be bad.

His Political Philosophy

So far he has outlined few policies. remains open-minded on most issues. But the likely trend of his policies can be judged from his background and his little-voiced philosophy. He believes the whole basis of government has changed since 1867; he will probably strive to protect provincial credit; he will likely be willing to turn over to Dominion jurisdiction many functions now a burden on provincial taxpayers; he is likely to work for a reduction of the restrictions on mortgage lending in the province; in short, he will probably be found to be a conservative where extreme radicalism is hurtful; and a reformer, where privilege has led to exploitation.

He never drinks; smokes but little; exercises by puttering in his garden; indulges in social affairs solely to rub shoulders with people whose views are valuable. He would never, like another provincial premier, pretend to be too busy to accept an invitation he knew he ought to accept.

One of his few self-revealing statements that is on record is "Arbitrary rules in government merely provide people with temptations to break them down."

He wears dark-rimmed glasses. He dresses in good taste and has never acquired a bronzed countenance. He looks more like a well-dressed city doctor than a farmer.

—Drawn by Evan Macdonald.

RICHARD G. REID

NO ACTION TAKEN INTEREST DEFAULT BY JONES BROS.

Unofficial Committee Waits Report—Some Improvement

Following default of bond interest due last May by Jones Bros., manufacturers of store fittings, and barbers' supplies, an unofficial bondholders' committee has been studying the situation of the company. No action is expected before the report covering the fiscal year ending Nov. 30 next is available and none can be taken, it is stated, unless an official committee is appointed.

The bond issue in connection with the company is small, totalling $257,800 outstanding of $300,000 originally issued in 1926. The bonds bear interest at 6½ per cent and are due in 1946.

The unofficial committee consists of J. F. M. Stewart, of Stewart Scully Co., who along with Gairdner & Co. offered the issue; M. G. Angus of the Dominion Mortgage Association and J. M. Walton, Aurora.

The coming report is not expected to indicate much more than covering bond interest due, of approximately $17,000; but without allowing for depreciation which in the past has run around $15,000. The company, it is understood suffered heavy losses in the last two years but definite figures are not available. In the current year, it is believed, there has been substantial improvement in sales of store fixtures, the leading line of manufacture, but the volume is still running far behind normal.

It is possible, The Post is informed, though by no means certain that the company may be able to work itself back to a paying position in a couple of years and no intervention of an authorized bondholders' committee would be necessary. Much will depend on the improvement in general conditions. Inventory last reported in 1931 of $224,203, it is understood, has been reduced very materially and bank loans which amounted to approximately $150,000 three years ago have been reduced to about $70,000.

Report Improvement by Jenny Lind Candy

Jenny Lind Candy Shops Ltd., which is operating under a receivership is understood to be doing slightly better than in the same period a year ago. Sales, it is believed, have been a shade higher in the current year while the halving of the Dominion tax on sugar last July has been a favorable factor.

The company manufactures candies in its own factory in Toronto and sells these through a chain of 14 retail stores, 13 of which are located in Toronto and one in London. Since the company went into receivership last June there has been practically no change in the management or in operation. Of the former directors, however, but two remain, it is understood, E. G. Robinson, Toronto, and A. B. Pollock, Kitchener.

FEW APPLICATIONS FILED FOR PROBE OF TARIFF BOARD

Progress Being Made With Those Held Over, However

From Our Own Correspondent

OTTAWA.—With nine cases set down for hearing late this month, the Tariff Advisory Board has begun its winter work and the public inquiries which normally precede tariff changes are now in hand.

The cases to be heard this month are not of exceptional importance. On November 19, the board will hold public hearing with respect to applications for higher tariff on hats, caps, berets, hoods, etc., and decalcomania transfers. On November 20, hearing will be held on cork slabs, boards, planks, etc. (higher tariff). On November 21, two cases, the first seeking higher tariff on dextrines and the second asking for a revision of the wording of the adhesive item will be taken up. And on November 27, three appeals to the Board from rulings of the national revenue department will be dealt with.

Woollens' Case Continues

While there has been a dearth of new applications and appeals in the past four months, the board, it is learned, has been going forward quietly with important cases already on hand.

In the British woollens case, the first to be advanced by the British government, Chairman G. H. Sedgewick spent several weeks in the United Kingdom, arriving there shortly after the interim report of the board was issued on May 28, last. This report, briefly, found that in the items directly under review, yarns and cloths, the cost figures submitted by the British manufacturers were not sufficiently specific to enable a comparison to be made with Canadian figures. It will be recalled that the Canadian figures were based on operations in 1933: those of the British 1931.

In recent months the British have endeavored to meet the board's request for more up-to-date and specific figures but it is learned that a wide gap still exists between what the British have offered and what the board requires. It does not appear likely that this case will be much farther advanced when Parliament meets in 1935 than when it closed in 1934.

Knitted Goods in Abeyance

Other divisions of this British application likewise are reported to be far short of completion. The knitted goods items, for example, have never even been commenced. The British manufacturers ought to send representatives to Ottawa to attend public hearings on these items. But so far as may be learned, the knitted goods section of the British industry is taking no steps to advance the work. No delegation has been chosen. It is thought that the British knitted goods manufacturers are holding back until the outcome of the yarns and cloth case is known. Much the same situation, it is said, exists with respect to carpets.

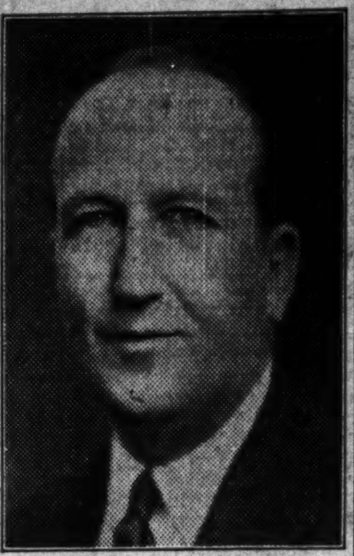
Two British applications, however, are well in hand—the wooden doors and boots and shoes. Public hearings have been held on both and the board is likely to report shortly after Parliament meets.

Keep Some Powers

With respect to appeals to the board under Part II of the Tariff Commission Act, the effect of the Supreme Court ruling will make little or no difference in the manner in which the board will function. Until the Supreme Court gives its judgment, the board regarded itself as a court of appeal, above the national revenue department—as a tribunal to which appeals from departmental rulings could be taken. The judgment, however, was to the effect that the tariff board is but a branch of the department, subject to the authority of the minister of national revenue. Decisions of the board on appeals are not valid or binding upon the department, unless signed by the minister. While this judgment robbed the board of all statutory authority over tariff administration, it is becoming increasingly plain that Hon. R. C. Matthews, minister of national revenue, has no intention of destroying the value of the appeal machinery.

The Supreme Court judgment, it now appears, will make but one important difference in the operations of the board under Part II of the Act. The board will hear appeals as formerly and will come to its decision entirely independently of the department. These decisions, with the board's reasons therefor, will be made public. But the decisions will not become binding unless approved by the minister. The value of the board as an agency to inform the general public will remain unimpaired. Had the minister exercised his undoubted authority to withhold judgment of the tariff board from the public unless and until approved by him, the injury to the board would have been much more serious.

General Manager



GORDON PATERSON

Who has been appointed general manager for Canada of Dictaphone Sales Corp. Mr. Paterson is a Canadian, born and educated in Kingston, who has been with the company in the United States for the last six years.

THERE ARE ADVANTAGES — Join the Ely circle

ELY LIMITED
Clothier & Furnisher
Three stores in Toronto

Malden Trust Accepts Calgary's Gold Offer

City of Calgary, Alta., has settled its dispute with the Malden Trust Co., of Malden, Mass. The trust company has accepted delivery of $5,170 in gold coin at Calgary in settlement of its claim for payment of bonds in American funds. The city refused to make such payment at a time when the Canadian dollar was at a heavy discount in New York, but later tendered gold coin to the trust company. This was refused because it was illegal to export the metal from Canada without license.

The trust company has now accepted the tendered offer of gold coin which has been paid at Calgary. It is understood that application will be made for a license to export the metal.

THE TEXTILE INDUSTRY

CANADIAN NICKEL IN WORLD INDUSTRY

This season it is the Dahlia Shades

. . . Next season it may be blue, green or one of those delightful pastel tones.

But whatever the vogue, one thing is sure, you will want the fabrics in your gown to be exactly the correct shade, and your stockings and shoes to harmonize.

That is where Monel Metal plays its part in the production of fabrics, silk stockings, yarn and other textile products—it is used in the most modern dyeing machines and equipment to insure trueness and consistency of shade.

The close-grained, glass-smooth surface of Monel Metal does not absorb or give off the color of previous dyes. Therefore each batch of fabric, yarn or stockings dyed emerges the exact shade desired. This is exceedingly important just now when so many off-shades are in popular favor.

Another very important advantage gained through the use of Monel Metal Dyeing equipment is the saving in dyeing costs and the elimination of damage to fine fabrics. This means that the finished article costs you less money.

But Monel Metal does not lose its acquaintance with the yarn or fabric after seeing that it has been truly and safely dyed, for most modern dry cleaning establishments and laundries utilize Monel Metal equipment because of its resistance to corrosion and its sanitary and easy-to-clean qualities.

The Textile industry is just one of the many industries in which Monel Metal and other Nickel alloys are performing many useful and economical services.

It is a matter of pride that the great majority of these industrial uses have been sought out and sold by International Nickel's Research and Sales Divisions, which are constantly on the alert to find new uses for Nickel and its alloys in industry and homes.

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII — PUBLICATION OFFICE: TORONTO, NOVEMBER 17, 1934 — No. 46

This Job Is Not Too Big For Canadians

Taxes, taxes, taxes.

Take all the nuisance taxes imposed by the Dominion Government:

a stamp on every cheque you issue;
a tax on every sleeping car ticket you buy;
a tax on every bottle of liquor, every cigar, every cigarette;
a tax on every box of matches, every deck of cards;
a tax on every automobile.

Then add to this amount the total of the domestic sales tax.

Add all these taxes together; the ones you pay; the ones that 10,000,000 other Canadians pay. What total have you? For the governmental year 1933: $99,075,151.

Now consider what the Canadian National Railways cost us in the calendar year 1933: $97,700,000.

THAT IS WHERE YOUR TAXES GO.

The deficit on the Canadian National Railways in 1933 was greater than the combined Dominion expenditures in the fiscal year 1933 on agriculture; on our foreign affairs, including our legations abroad; on fisheries; on immigration; on Indian affairs; on administration of justice and penitentiaries; on labor; on old age pensions; on health; on marine affairs; on mines; on our national art gallery; on our archives; on public works; on mounted police; on trade and commerce; on unemployment relief.

That is why The Financial Post speaks of the problem of the Canadian National Railways' deficits as CANADA'S BIGGEST NATIONAL PROBLEM.

Three years ago Canada decided to see what could be done about solving the railway problem. The Royal Commission on Railways and Transportation was appointed. It brought in the Duff report.

This report recommended:

1. A non-political board of trustees to run the C. N. R.
2. Co-operation between the two chief railways to reduce expenses by cutting out unnecessary duplication of services.
3. The institution of the most rigorous economies on the Government railways.

A grave warning accompanied the recommendations:

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada . . . ."

The warning was this: that Canada must either solve its railway problem, or reduce expenditures in other directions, or pile on new taxes.

The alternative was that "the very stability of the nation's finances . . . will be threatened, with serious consequences to the people of Canada . . . ."

* * *

Parliament put the Duff recommendations into execution. The Government appointed three trustees to run the C. N. R., gave them —and particularly the chairman—virtually dictatorial powers. It directed them to economize and to co-operate with the C. P. R. to CUT EXPENSES.

The whole purpose was to save the Canadian National Railways; to maintain the company's solvency; to avoid, if at all possible, any such drastic measure as amalgamation of all the chief railway lines of Canada.

Most of 1934 has passed. The record of what has or has not been accomplished under the plan is an open book. And the pages of this book are almost barren of achievement.

There has been little co-operation between the railways.

There have been only the most inadequate new measures of economy on the National Railways.

The railway burden has been reduced in only infinitesimal proportions. The annual deficit is running along at about the former level of nearly $100,000,000 a year.

Non-political administration, efficient and economical operation, and railway co-operation have not been given a fair trial.

The country is just so much nearer to the "serious consequences" that the Duff Commission foresaw.

* * *

Mr. Beatty urged amalgamation as the way out. But Canada decided to try the Duff recommendations first. These recommendations have not been pursued. Extravagance and politics continue to rule on the Government line.

The situation is serious and the need for action is urgent.

Every citizen of Canada, no matter what his views on the ultimate solution of the railway problem, is interested.

This is not a question of choosing between private ownership and public ownership.

It is not a question of choosing between amalgamation or competition.

It is a question of choosing between a fair trial of the railway solution provided by the Duff commission and Parliament on the one hand and national insolvency on the other.

* * *

You as a citizen have an interest in this matter. It touches your pocket book. It touches the future of your business and your job. It touches the future of the Canada where you live and where your children must live.

Do you want action on the railway problem? Then you must demand it.

Demand it of the Canadian National Railways. Demand it of the Government.

Make your views known. Tell them to your friends. Write them to the chairman of the Canadian National Railways. Write them to your member of Parliament or to the Prime Minister. Write them to your newspaper or to The Financial Post. We shall be glad to publish them.

Solving the railway problem is the supreme challenge before Canada today. The eyes of the world are on Canada. We must not fail.

Can we make a success of this job? Of course we can. LET US START NOW.

The Railway Problem

Three Letters From Readers

From a Financial Man

Editor, The Financial Post.

Mr. Beatty has been speaking on unification of the Canadian National and Canadian Pacific Railways throughout the Dominion. His argument seems to me to be the logical one. If we go on as we are, it seems to me, and I imagine to many other business men, that the Canadian National will ruin the country with its continuous enormous deficits. Unification is the only possible hope for the situation.

I would, before making any suggestions, point out that I do not, nor does any member of my family, hold a dollar of C.P.R. bonds or stock.

The great difficulty is the matter of labor. To my mind that is the only matter which really bars unification at the present time. Might I suggest that unification of the railways be considered on the following basis:

A joint board of C.N.R. and C.P.R. to manage the new company.

Capitalization and distribution of profits to be arrived at by negotiation.

The Board of Railway Commission to continue to sit with the same powers unimpaired.

That the railways guarantee to employ all labor—officials, managers and men—at full wages for a period of five years from the date of unification. After this period has elapsed, men retiring on pension, leaving for better positions and the general death rate, together with improved business on account of the general growth of the country, should have automatically adjusted the labor question so that the balance of the labor would be needed and used by the unified railways. This would enable the railways to save on many useless expenditures such as unnecessary trains, etc., right away.

The savings on labor would gradually increase as time goes on.

The taking over of all employees of both railways would, of course, mean that the hours of labor would be reduced during this time, but the pay would be unimpaired and the hours would, of course, also gradually increase as men retired, etc.

This question must be faced. The sooner the better for the sake of Canada's future prosperity.

O. ST. P. AITKENS,
Manager, Okanagan Loan & Investment Trust Company.

Kelowna, B.C.
Oct. 30, 1934.

From a Lumberman

Editor, The Financial Post,

I quite agree with your position re the C.N.R. The result of the present system is that the railroad is being supported at the expense of the tax payers and the basic trades who have to compete in the world market. Railroad rates and expenses are entirely out of line with other commodities.

If it would interest you I should be glad to give you figures showing the comparative freight rates on lumber today and in pre-war days for export to Britain and to New York, and locally.

Roughly, the rates for export from our mill in the Ottawa Valley are—

To Montreal $5 per M, as against $1.50 per M 30 years ago.

To New York $8.50 per M, as against $3 per M 30 years ago.

And roughly from 50 to 100 per cent higher in the local market.

The present condition is that we are entirely out of the New York market, due among other things, to the low rates via the Panama Canal from the Pacific Coast, and to the high rail rates.

I also concur heartily in your reference to State schemes for house building. I think the net result of these are to put the private investor and builder entirely out of business.

Yours truly,
J. S. GILLIES,
President, Gillies Bros. Ltd.,
Lumber Manufacturers.

Braeside, Ont.,
Nov. 2, 1934.

From a C.N.R. Town

Editor, The Financial Post,

Your cartoon on the C.N.R. is rotten.

Moncton, N.B.

(The comment is unsigned and undated.)

Farm Implement Exports

Exports of farm implements and machinery during the 12 months ended September, 1934, were nearly double in value those of the previous similar 12 months period at $2,682,014, compared with $1,354,886.

FOOLING WITH INVESTMENT FRAUD

By NORMAN HARRIS

Because Fraud in Legal Sense Is Hard to Prove, Crooked Promoters Get Away With Millions of Dollars of Investors' Money Every Year In Canada

Are we fooling with investment fraud in Canada?

Norman Harris thinks we are and in a series of articles he intends to indicate wherein he feels our present governmental policing of the channels of finance is inadequate.

Mr. Harris was for many years a financial editor, particularly interested in ferretting out stock crooks in order to expose them. He advised the Ontario government on the type of legislation required to combat the stock fraud menace. Later he joined the staff of the security department in Ontario, serving as financial assistant of the Securities Commissioner from 1928 until recently, when in the re-shuffle of the department he anticipated his dismissal by resigning at the time the Securities Commissioner was changed.

An annual loss in Canada of perhaps $50,000,000 per annum is not being sufficiently abated through the administration of the governmental measures adopted to protect investors. For the most part, these measures are patterned on the Security Frauds Prevention Act, which became law in Ontario in the year 1928.

Any attempt to regulate the highly complicated and specialized manufacture of securities for public consumption cannot be effective unless, and until, those who frame the law and those who administer the law are able to meet the fraudulent or inefficient promoter, broker or salesman on his own grounds. One basic error has been made by the statesmen and lawyers who sponsored all the protective Acts, save perhaps one, in force in nine provinces. The voice of the expert financial man has not been sufficiently heard prior to the framing of these Acts, and later on during administration. There has always been too much legal, and not enough financial lore, introduced.

Not Always Legal Fraud

It was assumed that the proper method to cure the deplorable situation, in which the public was steadily losing money, was to provide policemen. These policemen were to detect any financial crime committed. The proper person, it was argued, to put together a statute that could not be successfully attacked, was the lawyer. What administrators should detect, would be a crime, that is to say, fraud. All the training and experience of the lawyer is calculated to enable him to perceive the difference between an act which contains fraud, provable under common law or the Criminal Code, and one that is not so provable. But a survey of the financial field shows that, in the large majority of instances where the investor has been trimmed there is no provable fraud.

Having set up their Acts, and believing that what they had to deal with was a number of crimes involving fraud, it was quite natural for the provinces to appoint lawyers to administer them.

Separating Sheep and Goats

Anyone who believes that there are only two kinds of people working in the financial field, the good and the bad, who believes that the first class is always virtuous and that the second class is out constantly to commit frauds provable in court, will approve the fraud law type of securities measure. Experience in the United States developed, first, the regulatory law and then the fraud law. The Security Fraud Prevention Act of the Province of Ontario, which has always been administered by a lawyer, is in type a fraud law.

Follow Ontario Lead

Most, if not all, of the provinces took the passing of the Ontario Act as representing leadership to them. If a fraud law was good enough for Ontario, it would fill the bill in the other provinces. The outside provinces sent officials to Toronto to study the Ontario measure and to be instructed in the method of its operation.

I joined the staff administering the Ontario Security Frauds Prevention Act, in the year 1929. I had quite a feeling of elation at having the opportunity of utilizing what experience and skill I might possess in a movement to conserve the investment funds of the people.

I had always paid a great deal of attention to the prospectus and other printed or typewritten matter issued by the promoter or broker. The aim was to get the right picture. Very often the process could not be completed without conferences with the principal or his agents, and perhaps some of the salesmen.

Anyone having experience in that kind of thing can tell fairly accurately whether the submitted plan is loaded unduly against the shareholder and in favor of the promoting interests. It is not very much of a trick to read between the lines, even if the full story is not contained in the lines themselves. At Queen's Park, I too, attempted to work on the same system. The plan did not prove very successful.

One Famous Swindle

In the very early days I took up a thick file devoted to the fiscal house selling securities in the G. A. Stimson enterprises, in Toronto. Commerce and Transportation Building was one of a number of related concerns, with interlocking directors and comprising in all, a huge share capital. The contents of the file were surprising. They consisted, partially, of lengthy communications addressed by lawyers for the corporation, to lawyers in the department and communications from the department to lawyers for the company. To be quite frank, I regarded the whole thing as a promotional swindle. I advanced the view that not a dollar's worth more of securities should be allowed to be offered the public. My contention was that the entire matter was a fraud—whether in the legal sense or not—and that the shop should be closed up by the department. I was quite in error. It appeared that the company had been well and truly put together, that able lawyers had participated in its formation.

"No Bonds—No Mortgages"

I pointed to an incriminating circular of the company. Printed on the face of it was the claim that there were "no bonds—no mortgages"—issued against the company. As a matter of fact there was a mortgage to a United States interest of between $700,000 and $800,000, which had been issued in an early stage of the promotion of the building in question.

There were very many complaints addressed to the department on the part of people in various sections of the country, who demanded information and in some cases redress.

It was not until this promotion became a political issue that action was taken against its backers. Prosecutions were launched. But in the meantime hundreds of thousands of dollars were taken from the public because the lawyers could not decide whether the promotion was a fraud under the law.

Common Sense Size-up

The fraud law by its nature can only seek to punish; it cannot safeguard. The incident quoted is a case in point. When final action was taken none of the many millions of dollars lost, was recovered in the prosecution for any of the luckless shareholders of this unbalanced promotion. My sizing up of this matter was on a par with the view that would be taken, and was taken, by any sound financial man in the down-town district. My view, and their view, was unanimous that this was a fraudulent proposition; that the aims and objects of the promoters were fraudulent, and that the securities issued were tantamount to being fraudulent securities. We did not need a lawyer to tell us that.

The people of Canada have no desire to continue to pay taxes in support of fraud laws, whether federal or provincial, the main purpose of which is to tell them that they have lost all, or most, of their money in a promotion or in a securities episode, and the courts have ruled it fraudulent. They want the crooked, dishonest schemes stopped before they get started.

Easy to be Registered

Unfortunately, a broker, registered as a broker under our Ontario Act. need not be very much of a broker to become registered. Neither is it necessary for a financial salesman to occupy a very high status in the community to secure registration as a financial salesman. I was rather amazed in the earlier days to note that an applicant was very often not quite certain whether he should apply for registration as a broker, or preferably as a salesman. It was not absolutely necessary that the applicant should be able to prove that he had an office and a staff to become registered as a financial broker.

Getting The Money Back

In 1932 a farmer complained that two men registered either as brokers or salesmen, had apparently put over a smooth deal through which he had lost $11,000. After hearing the details of the matter, and examining the two men in question, it appeared to me that the transaction could not be otherwise than fraudulent. One of the men made statements contrary to fact. My recommendation was that a prosecution should be launched. No prosecution was launched, but the principals in the transaction were not aware what their fate might be, and they tacitly admitted guilt by returning the entire sum to the farmer.

One of the two principals in the transaction was also given authority by the department to operate the Blank Securities Corporation in the form of a fixed trust. The president of the company journeyed to Toronto, and he was turned over to me. He knew nothing whatever about the basis or operation of a fixed trust. In fact, he pretty soon showed in conversation that while he called it a fixed trust, his real idea was to operate a management trust. The company or trust was to pay a dividend at the rate of 6½ per cent per annum with profits on common shares. The president submitted the portfolio of securities as if the company were to be a fixed trust. The securities were not earning enough dividends to allow the company to give a return at the rate promised, even if there were no operating expenses.

Uneconomic Promotion

I have seldom encountered a man posing in any financial character who was more ignorant than was the president of this company. His fixed trust was uneconomic and loaded against the shareholders, and in the end the promoter was to romp away with most of the assets. After examining this man I made a recommendation suggesting that further sales of his securities should be stopped and that the assets should be placed in the hands of a trust company for the benefit of people who had already put up money for the securities. This seemed a reasonable recommendation but it was not acted upon.

"Frauds of Equity"

It will be seen that I am trying to demonstrate that there is a decided reluctance on the part of lawyer-administrators to come to the conclusion, when an instance of investment dishonesty comes before them, that it actually is fraud as defined in the Criminal Code, and accompanying that reluctance a disposition to fail to take action to deal with the situation.

But near frauds—or frauds of equity—are the crooked promoter's stock-in-trade. Frauds of equity may be a clumsy term. What I mean by frauds of equity are those acts on the part of any operators in the investment field which result in taking funds from securities buyers, without giving them adequate value, and where the operators then take title to that money.

Take another case in point. An Ontario promoter years ago brought out a company which technically was dangerous to investors for a number of reasons. This company failed with loss to shareholders. Undaunted by this episode, the promoter tried again. He finally had to his discredit a string of ten corporations, in all of which he had sold stock, and all of which had crashed with loss to their shareholders. This same gentleman formed a muskrat company. His first step was to get his company through the Ontario Companies Act and with it a fiscal agency (also a limited company) of which he was the sole proprietor. The two corporations went through the office of the provincial secretary without any hitch.

Traded Against Shareholders

He started to sell securities. After a time shareholders began to apply to the department for information. The writer took the matter up and even at the present time I can recall the feeling of amazement I had at the spectacle confronting me, namely, that a promoter with a string of notorious failures behind him could secure official sanction to pose as a business man entitled to deal with the funds of the general public. I started an investigation into the kind of set-up as presented in the prospectus and other official and unofficial documents available. As might have been expected, the promotion was loaded heavily against the cash subscribers and in favor of the promoting group. It was decided to hold a formal examination on the promoter. His legal advisors attended. I had prepared a list of ten corporations promoted by this same individual. I questioned him as to the accuracy of the list and the amount of loss which had come from the operation and failure of those companies. The replies, and the demeanor of this promoter, served to authenticate the loss, which could not have been under the sum of $1,000,000

Believing that the capital of his new company had already been impaired, I put a chartered accountant on the books. His report was all adverse.

Investors Lost Heavily

I recommended two-fold action; first, prosecution; second, steps to conserve what assets remained for the contract holders and shareholders. No prosecution was attempted, no charge was laid. A year or so later the company went into liquidation. This instance shows that even if we assume that there was no legal fraud in the composition of this muskrat corporation, and that the various acts of the promoters were within the law, nevertheless the promotion, which passed successfully through the Companies Act and through the Security Frauds Prevention Act was carefully plotted so that, irrespective of what the fate of shareholders and contract holders might be, the promoter was certain of a considerable profit.

Fifty acts were committed in the construction and operation of this corporation, any one of which could be construed as coming under the head of fraud, even if they were not legal fraud. The luckless men and women, whose imagination had been fired by promises of huge profits, will concur with the statement that they were fraudulently dealt with in connection with the promotion. This muskrat company, was the kind of promotion, whose securities should not be given circulation, and should not receive sanction under any securities act.

Muskrat Venture

My education as financial assistant to a department operating a special law to safeguard purchasers of securities, was considerably enhanced by the spectacle of another concern, a fur farm. This was a wild-eyed promotion. The proprietor of a potential muskrat area east of Toronto was approached by a smooth promoter who proceeded to present a number of agreements to him to be signed. When I started to examine into the condition of this concern, my enquiry produced a pile of cancelled bank cheques, which plainly exhibited that as fast as money came in from the public in purchase of contracts, entitling them to profits accruing from the sale of muskrat pelts a good deal of it was personally checked out by the promoter, who made his headquarters in a Toronto down-town hotel. He gave banquets at the hotel to his sales force, in order, doubtless, to perfect them in the principles of sound investment. He hired his motor cars to carry prospects down to the territory where the big profits were going to come from. All these things were paid for out of funds coming in from the public. There were cancelled cheques payable to the hotel barber, the hotel cafe, the valet service, and the like.

Accustomed as I was to the tactics of greedy and ignorant promoters, it was an astonishing spectacle and one that called for quick action. But whatever fraud, or frauds, there were in this composition did not become sufficiently evident to result in the prompt apprehension of the promoter. No charges were laid.

Following Ontario

The Province of Ontario took the lead in deciding to regulate its own jurisdiction in the year 1928. In starting an administration of the Security Frauds Prevention Act, Ontario tacitly promised that it would provide a cure for the deplorable condition that existed. My contention is that Ontario has failed signally to diagnose the faults in the securities field and not knowing what is wrong, it has equally failed to produce a remedy. This being so it follows that every province in Canada has got away on the wrong foot. It is the duty of the Province of Ontario to make an entirely new survey, and to alter its Securities Act, and to provide for new and different machinery to give an efficient administration.

The securities problem of Ontario is resolved into two parts. One is major, the other minor. The smaller portion has to do with fraud, fraud in the legal sense. It is reasonable to evoke a fraud law to deal with fraud.

Registering Brokers

But the greater weight lies in another direction. Most of the millions lost annually in securities are produced by a mulch of ignorance, incompetence, rapacity and greed on the part of all the units in the great army of spoilation, from generals to privates. The acts of this army are not necessarily fraudulent, in a legal sense. So, the invocation of a fraud law has power to lift the smaller weight, but not the major mass. The fraud law, therefore, is partially ineffective. It is also dangerous.

It is dangerous because it accords registration to brokers and salesmen and investors believe they can safely deal with these accredited agents.

Is Lawyer Best Official?

It is indeed small consolation to the hoodwinked to visit an official of a department maintained, as he believes, to accord him protection, and to be told, "Sorry, but there is no fraud in the transaction."

The Housing Problem In Canada. 2

Governments Should Clear Way For Building Revival Soon Due

Moratoria Keep Builders and Lenders Apart—State Housing Expensive Way

By WELLINGTON JEFFERS

A worth-while building revival in Canada cannot be based on slum clearance projects. The latter must aim at low rentals whereas the building industry is waiting for higher rentals to attract capital for new building. Probably the construction of a number of new dwellings at rentals well under the prevailing rates would throw the industry further into the depression at a time when a stronger rental situation is giving a measure of hope.

Influences have been at work to prepare the way for a building revival. That will not come in any event so long as rentals of office space and of residences remain at present levels. But rentals cannot go up to the point where new enterprises will be encouraged as long as there is considerable vacant space both for business and residences. There are fewer vacant houses today and less vacant office space to rent than there was in good times prior to 1930. but in those days rental conditions were strong.

In the last four years rentals have dropped 40 per cent and building costs have gone down about 20 per cent. Obviously either building costs must come down further or rentals go up about 25 per cent if new building is to start under present conditions. But there is not the pinch produced by shortage of space to cause such an increase yet. Rental agents are greatly encouraged by the fact that rentals have not gone down in 1934 as they did in the three preceding years. In apartment houses and elsewhere there has been some stiffening. But it has not gone so far as to produce a shortage and capitalists still regard new building ventures as a dangerous speculation.

Destroy the Bad

All agree, however, that if the situation is not bedevilled by ill-conceived state ventures, the steady process of taking up vacant space will produce adequate rentals and bring the builder once more into prosperous times in trying to keep pace with the demand. The builder now erects one house at a time when he is not building on order, and starts on another house only when the previous one is sold. Several projects of building less expensive houses on a more extensive scale have been successfully worked out during the depression but progress has been very careful.

The provinces undoubtedly can help. They can remove the obstacles set against the building industry and lenders on mortgage getting together. The whole tendency of regulations during the depression has been to convince the lender that his money would be unsafe in mortgages to assist building. Restore the age-old legal guarantees whereby both sides have to abide by a contract honestly entered into and the private agencies for building and lending will do twice as much to overtake any economic shortage of houses as Governments can do.

It will be argued that the pace of revival will be greater if there comes a more fully awakened social consciousness as to the advisability of clearing away every unsightly and dangerous structure. The campaign to get people to buy new houses under this view might get further if there were steady destruction of the obsolete, unsanitary and ill-ventilated structures still to be found in every city's congested areas. There is much to say for this view but it should be pushed rigorously only when building is more active in producing more and better homes for those who can pay for them. It is impossible to produce proper homes for those who can only afford rents of from $5 to $15. But active building to provide better homes for those who can pay does throw more older houses into the low rent class. These low rents as a rule can only be found on valuable land where it does not pay to improve houses that are bound to be demolished sooner or later. The houses themselves have no sales value and therefore any rent is a gain to the man who is holding the land for a high price. It would be absurd to replace them with better homes that would later be destroyed to make way for stores, office buildings, factories or warehouses.

These districts are real assets to the very poor. It is for the city to make the landlords keep these dwellings habitable on pain of condemnation.

Builders, who are criticized for not getting costs of building lower, point to the six per cent sales tax on building materials as one instance of many which is preventing them doing better than they have done.

Slum clearance projects therefore should not be associated with arguments that they will increase employment or stimulate the building industry. The net result may be very different unless exceptional wisdom is shown.

Revival Influences Gathering

A revival in Canada will be based on far different premises. The basic economic condition may be the rental situation as already indicated but the main incentive must be the same sort of thing as induces people to buy motor cars. Motor cars are cheaper than they were but at the same time have increased their appeal to such an extent that it is difficult for any ordinary human being to resist their appeal even when buying one involves extraordinary efforts at saving and self-sacrifice in other directions.

Air Conditioning is Opportunity

Such a situation will eventually come about in the building industry. During the depression industrialists and builders are getting to a point where they can increase comfort and convenience at home to an extraordinary degree. The talking points for new houses are growing, and when builders can provide and do provide at reasonable rates new homes which give all the major benefits of scientific and inventive progress today, a building revival of great proportions will develop. It will involve as much re-conditioning of old homes as building of new ones but the appeal of the latter will be greater.

The greatest chance of all for the building industry to secure a revival is to develop air conditioning inexpensively and adequately for the small home.

Air conditioning, it may be argued, is not going into many of the new houses at present being built. That is true but the matter of costs and availability of inexpensive processes is discussed in most cases. In moving picture theatres, churches, restaurants and stores, much is made of air conditioning equipment and all this is having its effect on the minds of most adults. Individuals are being told about air conditioning being used in preparation of various articles such as gum, candies and foods. All this is preparing the way for a time when people will demand in houses better air as to temperature, humidity, purity and circulation than they can get outside. The time is coming when a modern house will be one where a man can go to be warm in the

(Continued on page 12)

War On Waste

"THROUGH extravagance and mismanagement, there has been a needless waste of the province's money," was the recently published conclusion of D. W. Lang, K.C., who investigated the Ontario Air Service.

One instance of extravagance cited in the report was the purchase of airplane engines at $2,850 each. Previously, similar engines had been bought at $400 to $800 each. In the opinion of one expert witness they could have been bought at $300 each by direct purchase at the time when $2,850 each was paid.

The findings of Mr. Lang bear out the gravest accusations that have been made as to the widespread waste of public money in the various enterprises in which the governments in this country are engaged.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 213

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November fifteenth, 1934.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Sixteenth day of January next, the chair to be taken at noon.

By Order of the Board.

H. B. HENWOOD,
General Manager.

The Canadian Bank of Commerce

Dividend No. 191

NOTICE is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1934, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December next, to shareholders of record at the close of business on the 31st October, 1934. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 19th October, 1934.

Borden's

99th Consecutive Common Dividend

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable December 1, 1934, to stockholders of record at the close of business, November 15, 1934. Checks will be mailed.

E. L. NOETZEL,
Treasurer.

Belding-Corticelli Limited

DIVIDEND No. 80

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of December to Shareholders of record at the close of business the 30th day of November, 1934.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Consolidated Diversified Standard Securities Limited

Dividend No. 5

NOTICE is hereby given that a dividend of 25c per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 15, 1934, to shareholders of record December 1, 1934. Transfer books will be closed from December 1 to December 15, 1934, inclusive.

By Order of the Board,

A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Montreal, November 5, 1934.

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 56c. per share and a special disbursement of 44c. per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of December, 1934, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 42 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 15th day of November, 1934, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of November, 1934.

The transfer books will be closed from the 16th day of November to the 1st day of December, 1934, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Holders of Bearer Share Warrants who have not yet exchanged talons for a new supply of dividend coupons (Nos. 41 to 60) should detach talons and forward them by registered mail, with return address, to the Secretary, International Petroleum Company, Limited, 56 Church Street, Toronto, Canada.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
7th November, 1934.

DIVIDEND NOTICES

IMPERIAL OIL LIMITED

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a semi-annual dividend of Twenty-Five Cents (25c) per share and a special disbursement of Fifteen Cents (15c) per share, both in Canadian currency, have been declared and that the same will be payable on or after the first day of December, 1934, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 42 at any Branch of:

THE ROYAL BANK OF CANADA, in Canada.

The payment to Shareholders of record at the close of business on the 15th day of November, 1934, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of November, 1934.

The transfer books will be closed from the 15th day of November to the 30th day of November, 1934, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income War Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

NOTE: Holders of Bearer Share Warrants who have not yet exchanged talons for a new supply of dividend coupons (Nos. 41 to 60) should detach talons and forward them by registered mail, with return address, to the Secretary, Imperial Oil Limited, 56 Church Street, Toronto, Canada.

By Order of the Board.

F. E. HOLBROOK,
Secretary.

56 Church Street,
Toronto, Ontario.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 260
EXTRA DIVIDEND NUMBER 19

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared on the Capital Stock of the Company, payable on the 3rd day of December, 1934, to shareholders of record at the close of business on the 16th day of November, 1934.

Dated the 9th day of November, 1934.

I. McIVOR,
Assistant-Treasurer.

Reno Gold Mines Limited (N.P.L.)

DIVIDEND NOTICE

Notice is hereby given that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Friday, the 30th day of November, 1934, and that the dividend will be payable on or after the 3rd day of January, 1935.

The Register of Transfers will be closed at the close of business on the 30th November, 1934, until the opening of business on the 10th day of December, 1934.

By Order of the Board,

W. A. SUTTON,
Secretary-Treasurer.

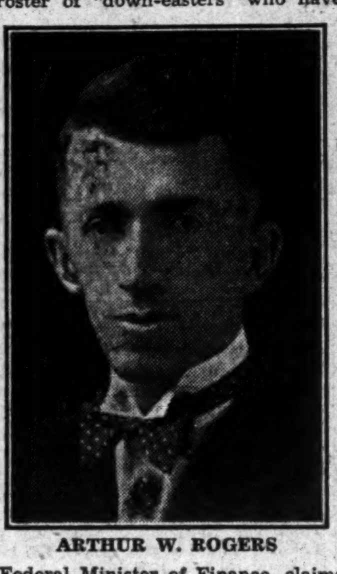
Vancouver, B.C., November 5, 1934.

Amherst's Three R's

Arthur Rogers of Bankers Association Completes Triumvirate of Native Sons Holding Key Position in Finance

From Our Own Correspondent

MONTREAL.—Arthur W. Rogers's appointment as secretary-treasurer of the potent Canadian Bankers Association, in succession to Henry T. Ross, K.C., who retires at the end of this year, adds another name to the roster of "down-easters" who have carved a niche for themselves in "Upper Canada."



ARTHUR W. ROGERS

For many years the Maritimes have been demanding their "rights," but the native sons have not done badly in securing for themselves a goodly share of the key positions in Canadian banking, business and politics. Look over the names of men prominent in federal or provincial politics, or of those managing the affairs of the chartered banks, and it will be found that the Maritimers are present out of all proportion to the number of people they represent.

Surnames Start With "R"

Arthur Rogers was born in Amherst 41 years ago. The Board of Trade at that point will tell you Amherst is the first city in Nova Scotia to be entered upon proceeding eastward from Moncton. It has several industries of importance and a nearby tidal bore. But Amherst is particularly proud of its sons who have made a name in provincial or national life. Hon. E. N. Rhodes, Federal Minister of Finance, claims Amherst for his own town, as also does his principal financial critic in the opposition benches, Hon. Col. J. L. Ralston.

Probably it is a coincidence, but it is worthy of note that though all are members of the legal profession, Messrs. Rhodes, Ralston and Rogers developed a particular flair for finance after being admitted to the Bar.

Saw War Service

The newly elected secretary-treasurer of the C.B.A. has had a wide and varied experience. He started out in life to become a lawyer, but the war interfered with his plans. Mr. Rogers went to France in 1915 as a trooper with the 6th Canadian Mounted Rifles. He secured his commission in 1917 and the following year was attached to the 85th Nova Scotia Highlanders as scout and intelligence officer. He was awarded the Military Cross and wounded in the Battle of Amiens. When the war ended, Mr. Rogers was acting major in command of a company in the Cumberland Highlanders.

Has Extensive Experience

Upon demobilization he continued his studies. After graduating from Acadia and Dalhousie in arts and law, respectively, he read law with his father, who had been mayor of Amherst. Mr. Rogers was admitted to the Nova Scotia Bar in 1921 and to the Ontario Bar in the following year. He then entered the Department of the Attorney-General for Ontario, first as legal secretary and then as solicitor. He held the latter position until May, 1931, when he became the Deputy Commissioner and Solicitor of the Ontario Security Commission. After six months at this post he left to become assistant secretary-treasurer of the Canadian Bankers Association.

Aside from golf and fly fishing, Arthur Rogers has devoted much of his time to matters of a legal nature. He has acted on a number of committees of the Canadian Bar Association and in addition has edited various legal works of reference and contributed occasional articles to the Canadian Bar Review.

As secretary-treasurer of the C. B. A., Mr. Rogers will probably reside in alternate two-year periods in Montreal and Toronto because the Association's office moves between the two cities in accordance with the changes in the presidency. In his new post Mr. Rogers will be an important liaison official between the banks and the press.

Mr. Rogers is a brother of Professor Norman McL. Rogers of Queen's University, who recently presented figures to the Royal Commission investigating Maritimes rights on the cost of Canadian tariffs to the eastern and western provinces.

GOVERNMENTS SHOULD CLEAR WAY FOR BUILDING REVIVAL

(Continued from page 11)

winter, to be cool in the hot days of summer.

Want Better Than British

When actual building demand makes this apparent there will be an increase in the concentration of keen, inventive minds on the problem of creating comparatively inexpensive plants to provide and regulate heating, refrigeration and air conditioning. Everyone, who can afford it, will want such a home and therefore the rate of obsolescence in homes will grow.

As a result of the increased "fussiness" of the public as to what houses should be, Canadians will have a higher standard than can be satisfied by even the British homes described last week. Air conditioning will be the great cause of this. In several years new office buildings, new industrial plants, new apartment houses and new residences of all kinds will probably have to be more appealing than the general run of houses built prior to 1930. Whatever the type of construction desired, new buyers are showing a keen interest in the cost of air-conditioning equipment as applied to their particular requirements. They are eager to explore the possibilities of automatic heating either with coal, gas or fuel oil; they want to know a whole lot about operating costs of the various systems; and in considering building materials there is added appreciation of the savings to be effected in fuel costs by adequate insulation. A brisk demand will grow up when these are available at convenient instalment payment terms.

Building Turns Up

Latest statistics provided by MacLean Building Reports of construction contracts awarded show an upturn of building activity in 1934. The totals for the whole year will probably exceed those of the last two years but are still little more than half those of 1931 and much less than half those of 1930. This may be the straw, however, that shows the public is beginning to feel the imminence of a building shortage. If the report of the Housing Committee appointed by Mayor Stewart of Toronto, at the instance of the Lieutenant-Governor of Ontario, can be accepted as a criterion, increased industrial activity would make it necessary to have 25,000 new houses in Toronto alone to meet the situation adequately. That, of course, includes the health and social needs of 3,000 to 4,000 families whose circumstances do not permit them translating their need into an active economic demand. Others undoubtedly would build if payments could be arranged on an easy basis.

The construction contracts awarded in the last five years are shown in the following table:

	No. of Houses	Value $
1934 (10 mos.)	8,673	24,641,500
1933	8,430	23,025,900
1932	8,759	27,366,600
1931	17,215	65,482,100
1930	20,095	77,961,200

Must Be Subsidized

Plans for rehousing the poorest people now living in sub-standard houses—as just published by the Lieutenant-Governor of Ontario's Committee on Housing Conditions in Toronto—include having the Federal Government contribute one third of the cost, the province one third and the municipality the other third. In Toronto, which is really being regarded as the experiment ground for the whole Dominion, the expenditure of $12,000,000 on 4,000 dwelling units is advised. As a starter a project to apply $580,000 on a city block known as Moss Park is outlined in detail.

As these houses are to be built for workers who are unable to pay rentals exceeding from $10 to $15 in good times it is suggested that a return should be expected only on the one third of the principal put up by the city. It is suggested that a like basis would be suitable all over the Dominion because otherwise the cost of land, construction, maintenance and interest would prevent suitable dwellings being provided for less than $25 and $30 a month.

The report holds that in any scheme of rehousing for the poor, the actual rents of the new houses must, in many cases, be below the economic rents, that is, below the sum which will cover the full cost of land, building, taxes, upkeep and management. In other words, the report frankly suggests that the community must bear part of the cost.

That is a dangerous proposal. The universal experience in Europe has been that when an effort is made to obtain the full economic rent from the tenant, the result has usually been either to confine the dwelling to a more prosperous class of tenant or to compel the poorer tenants to spend a dangerously large proportion of their incomes in rent. As already shown active building for those who can pay always adds to the number of habitable homes available at lower rentals because they are not modern. That tends to lift poorer districts out of the slums if civic sanitary officials do their duty at the other end.

Full adherence can be accorded the following recommendations of Dominion-wide interest:

1. That a city planning commission for Toronto be established immediately. It would be a wilful leap into the dark to have housing plans without ensuring that the development of the city would be such as to improve rather than to degrade the surroundings in reconstructed areas.

2. That the city department should eliminate the existing unfit houses as soon as possible. A sudden general condemnation and demolition of 2,000 dwellings is impracticable as this would increase the widespread hardships of over-crowding and intensify the existing housing shortage. Vigorous projects of rehousing must accompany this process of elimination, says the report. If building becomes active, however, state projects should not be needed.

BOLD INCREASE ENDS IMPASSE IN NEWS PRICE

(Continued from page 1)

ward situation and may possibly be the means of blocking a general advance in price.

If St. Lawrence Paper Mills is able to fulfill its contract with Scripps-Howard and the Hearst organizations, then it will be difficult for I. P. or any other manufacturer to advance newsprint prices next year. On the other hand it is understood that the Quebec Government has withdrawn the special privileges granted to St. Lawrence Paper Mills. This action is expected to cause St. Lawrence's costs to rise to such a point that it will be unable, financially, to fulfill the contracts.

This is vitally important to other producers, as it will be the determining factor in whether or not International and others can advance prices.

Will Support I. P.

Meanwhile the Canadian manufacturers are meeting in Montreal this week to decide on their course of action. There is no doubt but that they will back up International by amending their price schedules. As for the American producers, it is understood that Great Northern will announce a higher price schedule this week and that other manufacturers will do likewise.

What steps will be taken by the American Newspaper Publishers Association to circumvent a price increase are a matter of speculation. W. J. Chandler, associated with the Scripps-Howard newspaper chain, and chairman of the newsprint committee of the A.N.P.A., has been particularly active in fighting the plans of the manufacturer.

Chandler Flays Graustein

He has issued several statements setting forth the views of the association he represents. Each statement has been stronger in tone than the last one, culminating in an outburst last Saturday, wherein he roundly flays A. R. Graustein, head of International Paper.

The last statement reads as follows:

"The effort of the Canadian pulp and paper industry to 'jack up' the price of newsprint to American consumers continues.

"Under the so-called Marketing Act, recently passed by the Canadian Parliament, some rather broad and indefinite powers are given to the Dominion authorities in the field of price control.

"The market for Canadian newsprint, however, rests upon contracts between mill and consumer.

"The resort to the Dominion Government for aid in compelling the American consumer of newsprint to pay the Canadian mills more than existing contracts provide, meets with its stiffest resistance from the Canadian industry itself.

Law Still in Effect

"Back in 1917 the American Newsprint Paper Association was declared to be a price-fixing monopoly by the United States Government. The result was a permanent injunction, still operative, enjoining the fixing of the price for newsprint by agreement among its manufacturers.

"With the enactment of the N.R.A., the newsprint manufacturers saw an opportunity to achieve the enjoined monopoly by code under the Recovery Act.

"Understandings were reached with the Canadian manufacturers to fix their prices in conformity with such prices as might be established under the American code.

"The result would have been to force American publishers not only to pay United States manufacturers a monopoly price for newsprint, but to pay Canadian mills, as well, the same price.

Opinion of I. P. Securities

"The most active and persistent figure in this strategy is A. R. Graustein, the president of the International Paper Company, originally a United States institution, but now practically a Canadian enterprise, so far as the production of newsprint is concerned.

"The stock and securities are now worth only a fraction of the figures at which they were distributed, and there is no possibility of their rehabilitation except to resort to monopolistic practices and monopolistic prices.

"The situation is complicated by the fear of the Canadian manufacturers that the help of their Government might prove very hurtful and result in diminution of their sales in the United States and deflection of established publishers to other markets; also, by the fear that it might introduce the principle of government interference in private business and interfere with freedom of contract."

Seek Federal Aid

The reference to the move by the Canadian manufacturers to make use of the recently enacted Marketing Act to strengthen their own position, follows steps taken by representative interests of the Canadian industry to have the Federal Government take a hand in matters.

Co-operative action by the provincial governments concerned to straighten out the newsprint mess was too difficult to achieve in the short time left at the disposal of the manufacturers if a higher price was to be secured in 1935. Consequently the Federal Government was appealed to. Ottawa said that it was a provincial matter, but would act if requested by the provincial governments. As the whole matter is bound up with provincial rights, a subject of considerable importance just now, neither Premier Taschereau or Premier Hepburn wanted to commit themselves by passing over control of a natural resource to the Dominion Government.

Create Regulatory Body

It was then suggested that advantage be taken of the Marketing Act to set up a body within the industry to enforce self-regulation. Some doubt has been expressed as to the ability of the industry to set up a control body under that act, but it is understood that there is no real obstacle in the way.

It is unlikely that steps will be taken to seek the protection of the Marketing Act until the industry is over the critical period of the next few weeks. When matters have quieted down, expectations are that the industry will set up a control board under the aegis of the Marketing Act.

Meanwhile the matter of moment is the ability of International Paper and the other manufacturers to bring about a general increase in newsprint prices in the face of opposition from the American publishers and the legal obstacles set up when St. Lawrence Paper Mills contracted to deliver newsprint in 1935 at 1934 prices.

Newsprint Price Change Means Millions to Makers

From Our Own Correspondent

MONTREAL.—Implementation of International Paper Co.'s new price schedule on newsprint for 1935 deliveries, as is expected to be followed by manufacturers in this country, will provide an additional income to the Canadian industry of about $2,750,000 for the first half of the year and nearly $4,000,000 for the full year.

These returns will not be reflected in the net operating reports of the individual operators, however, for additional wood costs, increased labor costs, depreciation in the American dollar as compared with the Canadian dollar, will largely, if not more than, offset the advance in price. The increase in the volume of tonnage of late will do much more than compensate for the increase in costs, so that in appraising the situation it is necessary to bear in mind that the advance in newsprint price does not mean a corresponding advance in the net profits of the manufacture.

How the new schedule will affect the gross earning power of the major operators in this country is set forth in the accompanying table. In the first division, the additional revenue is based on an advance of $2.50 a ton at the stated operating ratios. In the second division, it is assumed that a further advance of $2.50 a ton will take place in the last half of the year, making an average for the 12 months of $3.75 a ton. The additional revenue shown, therefore, is based on an advance of that figure.

ANNUAL INCREMENT IN NEWSPRINT REVENUE AT VARYING OPERATING RATIOS

	$2.50 a Ton			$3.75 Yearly Average		
	50% $	70% $	100% $	50% $	70% $	100% $
Abitibi	807,750	1,130,850	1,615,500	1,101,625	1,696,275	2,423,250
Anglo-Canadian	187,500	242,500	375,000	281,250	393,750	562,500
Canadian I.P.	681,250	953,750	1,362,500	1,011	1,416,550	2,023,650
Consolidated	706,250	988,750	1,412,500	1,092,750	1,529,675	2,185,500
Donnacona	90,000	126,000	180,000	135,000	189,000	270,000
Great Lakes	116,250	162,750	232,500	174,375	244,125	348,750
Lake St. John	97,500	136,500	195,000	146,250	204,750	292,500
Maclarens	93,750	131,250	187,500	140,625	196,875	281,250
Mersey	112,500	157,500	225,000	168,750	236,500	337,500
Powell River	243,750	341,250	487,500	365,625	511,875	731,250
Price Bros.	350,000	490,000	700,000	662,500	787,500	1,125,000
St. Lawrence	172,500	241,500	345,000	258,750	362,250	517,500

NOTE: Figures shown are based on full year's operation at stated price. In event manufacturers increase price to $45 a ton in last half of 1935, revenue for full year would average $43.75 a ton.

August Feldspar Output

Shipment of feldspar in the month of August by Canadian producers amounted to 1,730 tons as compared with 1,236 tons in July and 1,099 tons in August, 1933. Feldspar production during the first eight months of the year reached a total of 8,958 tons or 82.3 per cent above the tonnage shipped in the corresponding months of 1933.

STELCO

STEEL SHEETS

It's what you don't see that counts!

We could fill up the white space in this advertisement with a photograph of a Stelco sheet. It would look much like any other sheet, BUT — it's what you don't see that counts! The quality of a sheet is not apparent on the surface; it is when you start to work with a Stelco sheet that you begin to see the difference. Then, years later, when you see how Stelco sheets stand up under severe service you know that quality is built into them through every stage of manufacture from the ore to the finished sheet.

Stelco sheets are completely manufactured in Canada.

Black . . . Galvanized . . . Blue Annealed
Copper Bearing . . . Copper Bearing Galvanized

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES: HALIFAX, ST. JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

EARNSCLIFFE LINEN BOND

Dignified, impressive and obviously of high quality, EARNSCLIFFE LINEN BOND is recognized from coast to coast as paper with personality. It will lend to your business letterhead a distinction that commands respectful attention. Earnscliffe Linen Bond is also ideal for Notes, Drafts, Contracts and other important documents, its high grade rag-content giving it a durability well beyond the usual requirements. Specify Earnscliffe in your next stationery order.

Made in white and 8 business-like colours.

ROLLAND PAPER CO., LIMITED
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This watermark identifies Superfine Linen Record, Rolland Antique, Earnscliffe Linen Bond, Colonial Bond, Mount Royal Bond, Service Bond, Rockland Bond, and other fine papers.

Bank Chat on Current Topics

Permanent Bank Charters

SUGGESTION of Jackson Dodds, president of the Canadian Bankers' Association that the Canadian commercial banks be given permanent instead of 10-year, charters will appeal to the average citizen as eminently reasonable.

While it is not probable, it is possible that under the present system banks could find themselves without authority to do business. Granting of charters without limit as to time would not mean that banks would be free from legislative control. The Bank Act could be reviewed at 10-year intervals, or more frequently, if necessary.

The 10-year charter is an unnecessary anomaly in the Canadian banking laws.

* * *

Governor Returns

GOVERNOR Graham F. Towers of the Bank of Canada returned to this country last week from a two months tour of important European financial centres. He visited Great Britain, France, Sweden, Belgium, Switzerland and Holland.

Uncommunicative, as usual, Mr. Towers told the press that European authorities thought Canada was doing the sensible thing in establishing a central bank. He also expressed the opinion that the appointment of J. A. C. Osborne of the Bank of England as deputy governor is a good one. If he had said the reverse of these things it would have been big news.

* * *

Wide Open Election

THOSE who failed to subscribe for shares of the Bank of Canada are now a bit chagrined because of the loss of the opportunity to vote for directors. On the surface, at least, the election seems to be wide open. Theoretically, any holder of 10 shares has as good a chance as any other of becoming one of the seven directors who are to be chosen by shareholders on Jan. 23, 1935.

Paradoxically, some of the keenest supporters of the move to create the central bank did not buy shares. Now they would like to get into the election and may yet.

It seems probable that there will be some concerted vote-seeking before election day. Voting must be by ballot, and not by proxy, except that any shareholders may advise the Minister of Finance by registered post as to the manner in which he wishes to vote. The minister must then advise the scrutineers, who shall record the vote in the manner directed by the shareholder.

This precludes the possibility of the minister, or officers of the bank, voting into the directorships persons of their own choosing. And it leaves the field open to whoever can get most votes.

* * *

Canal Bank Broke

THIS recent headline caught our fancy:

Break in Canal Bank Makes 1,000 Jobless

It turned out to be a break in the bank of the old Welland Canal, which inconvenienced firms that had been using water power dependent on the high level of the water in the old ship channel.

* * *

Staff Changes

Imperial Bank of Canada announces the following staff changes:

A. J. RICHES, formerly manager at Lewvan, Sask., to be manager at Springwater, Sask.

H. G. SCOTT to be manager at Jellicoe, Ont.

Branch Changes

Imperial Bank of Canada announces the following branch closings:

LEWVAN, SASK., from Nov. 15.
HALBRITE, SASK., from Nov. 15.
BENSON, SASK., from Nov. 30.

Elect Dr. H. A. Bruce Dominion Bank Director

His Honor Dr. Herbert A. Bruce, Lieutenant-Governor of the Province of Ontario, has been elected a director of The Dominion Bank.

The directorship appears to have come as a recent development, and unanticipated by Dr. Bruce. Otherwise he would not have subscribed for the maximum amount of 50 shares of Bank of Canada stock. Dr. Bruce will now have to divest himself of his holdings of 15 shares in the central bank.

Imperial Bank Branch Opened in Mining Area

Imperial Bank of Canada has opened a new branch at Jellicoe, Ont., on the Long Lac division of the C.N.R.

The branch will serve the new Long Lac and Sturgeon River mining fields, and brings the total of Imperial Bank branches in Northern Ontario up to 21.

J. W. Willis, manager at Port Arthur, opened the branch. H. G. Scott has been appointed permanent manager.

Weekly Bank Clearings

	Nov. 8, 1934 $	Change yr. ago %	Nov. 1, 1934 $
Halifax	2,513,881	+18.7	1,902,564
Saint John	1,898,263	+13.4	1,530,245
Moncton	791,496	+ 7.2	657,266
Sherbrooke	687,008	+ 6.2	355,758
Quebec	6,267,854	+17.1	3,029,318
Montreal	115,334,182	+18.0	84,622,262
Ottawa	5,202,239	+ 4.9	3,970,304
Kingston	692,853	+ 8.6	457,817
Peterborough	840,717	+27.8	558,856
Toronto	114,423,197	+ 5.5	114,550,027
Hamilton	4,347,008	+24.4	3,424,649
Kitchener	1,029,182	— 3.1	1,107,523
Brantford	878,363	+ 5.1	611,048
London	3,191,767	+39.3	2,439,247
Chatham	536,441	+28.8	461,745
Windsor	1,819,259	—22.6	1,727,234
Sarnia	478,893	+12.1	345,268
Sudbury	730,605	+17.0	783,548
Ft. William	806,640	+17.1	664,039
Winnipeg	67,817,627	+31.1	46,718,805
Brandon	431,909	+23.5	299,605
Regina	4,644,125	+14.9	4,138,385
Moose Jaw	598,093	+ 6.9	721,592
Saskatoon	1,893,955	+21.0	1,753,421
Prince Albert	383,859	+36.7	327,600
Calgary	6,436,533	+32.5	6,085,324
Medicine Hat	283,765	+29.2	231,544
N. Westminster	549,488	+13.4	575,841
Vancouver	15,433,428	+19.4	14,885,578
Victoria	1,685,196	+18.1	1,355,595
Edmonton	4,789,255	+35.2	3,929,501
Lethbridge	578,395	+ 5.7	427,372

Current Events in Banking World

Banks to Co-operate With Bank of Canada Says C.B.A. President

Jackson Dodds Urges Bank Charters Unlimited as to Time

BIGGER NOTE ISSUE

Says Increase in Dominion Currency Will be Fully Secured by Bullion and Securities

Jackson Dodds, joint general manager of the Bank of Montreal and president of the Canadian Bankers' Association, urged that banks be given charters unlimited as to time in his address to the association at its annual meeting at Montreal last week. He traced briefly the history of the Canadian bank note issues which are to be taken over by the Bank of Canada. The latter institution, he said, would receive the co-operation of commercial banks.

Increases in issues of Dominion notes, Mr. Dodds commented, would eventually be covered by bullion or securities on the same basis as in Great Britain and the United States. He urged further co-operation of railways in attacking the problem of the C.N.R. deficit.

The presidential address was, in part, as follows:

1934 Banking Year

"Extension of the charters of the banks by act of Parliament, for a 10-year period to July, 1944, and the enactment of the Bank of Canada Act, were the chief events for Canadian bankers in the past twelve months. The 10-year term for the granting of chartered rights and privileges to such permanent institutions as Canadian banks have proved themselves to be is an anomaly in modern banking and company legislation in the great financial countries of the world. A fixed, limited period of 10 years or other short period was based on the charter of the First Bank of the United States which was granted a life of twenty years in 1791, and which was allowed to lapse, and the institution itself passed out of existence at the expiry of the term. It is admitted by competent observers that the dissolution of the First Bank of the United States and of its successor, the Second Bank of the United States, in 1863, was a great loss to the public interests of that country. The trail of banking experiment and banking failures which marked the subsequent period is strong evidence that a wrong course was pursued in permitting these charters to lapse.

British Practice

"In Great Britain the great joint stock banks have charters without limitation as to time, just as commercial corporations incorporated under the Joint Stock Companies Act of Great Britain are without limit as to time; the national banks of the United States have emerged from the 20-year limitation to which their charters were subject and have today charters in perpetuity unless terminated by special Act of Congress, under legislation passed in 1927.

"Corporate commercial bodies in Canada today have charters without limitation as to time, and the banks alone are left in the anomalous position of having their very existence terminated by statute and the right to renewed life challenged at the end of each decennial period. It is conceivable that culmination of political exigencies might prevent statutory extension, with resultant chaos in the Canadian business world. When the volume of business and banking was many times less than it is today, such a crisis actually developed in Canada and it was only the Imperial Privy Council that saved the country from financial chaos by decreeing an extension of bank charters. Under our present constitution the Imperial Privy Council is without power in such an emergency. What has occurred once may occur again.

Defense of System

"It is sometimes said in defense of this system of an absolute expiry of chartered existence that it is a useful thing to have Parliament periodically review banking legislation. Incidentally, an eminent Canadian banker, who was concerned in several revisions of The Bank Act, gave a further reason, namely, that the decennial revision gave the critics of the banks an opportunity to air their grievances through their accredited representatives in Parliament and thereby gave the bankers an opportunity to answer their criticisms. The grumbler having had his say in this fashion, the result, it is alleged, was a more general acceptance of the actions of bankers than perhaps prevails in most other countries.

Practical Suggestion

"The considerations both pro and con having been thus set forth, what is the practical suggestion? Would it not answer the arguments on both sides if, at the next revision of The Bank Act, the banks were given charters without specific limitation as to duration, on the same basis in this behalf as bank charters are now held in Great Britain, France and the United States, with, however, a provision in the legislation explicitly requiring that Parliament shall review the provisions of the Act at the end of each ten years for the purpose of such amendments as experience and new conditions might seem to require? In other words, the charters would continue without break, except as amended at the end of each decennial period to meet changed conditions and the risk of dissolution and utter confusion and disorder, such as once impended, would be completely removed.

Change in Bank Notes

"The most marked change in the legislation affecting banks, which signalized the recent revision, is in the provisions calling for the gradual reduction in the note circulation privilege, originally granted to the banks by the provinces over 100 years ago, and continued under the Dominion legislation from 1867 to the present time. It would seem fitting, on what may be termed the passing of a chief characteristic of Canadian banking, that a statement be made as to the quality of the bank note circulation given by the banks to this country. For every dollar of note liability of all banks, there have been in recent years assets of twenty times that liability. It gives me pleasure to strengthen what I have here said, as to the quality of the Canadian bank note, by a statement of Sir Edmund Walker, made in 1923, as follows:

" 'As to the advantage of the Canadian bank note issue, if this were the right time to speak about it, I should like to speak at some length. I have asserted repeatedly that our bank notes are the best in the world, and I have been all my life in Canada connected with that issue and studying it.'

Carries on With C.B.A.

JACKSON DODDS

Joint general manager of the Bank of Montreal, who has been re-elected president of the Canadian Bankers Association for 1934-35.

Bank of Canada

"The enactment of the Bank of Canada Act was the other chief event for Canadian bankers in the past twelve months. Canadian bankers have been criticized in the immediate past because they did not unanimously receive with acclaim the proposed establishment of a central bank, an institution destined to make a sharp break in the evolution of the Canadian banking system as brought about by the bankers of the day during the last 100 years. Since the Great War it has become the fashion to establish central banks in different countries, and in the depression which has overtaken the financial and business world Canadians have been led into thinking that a central bank would be a chief factor in bringing about, so far as they are concerned, a return of the desired prosperity.

"This advocacy of the central bank idea resulted in the Canadian public forgetting the record of Canadian banks in the past four or five years, when they withstood the shock of depression with such admirable firmness, as contrasted with the unprecedented upset in banking service and stability experienced in the great country to the south of us, with its Federal Reserve banking system functioning under central bank principles. The fashion of establishing central banks in what may be described as the lesser and newer countries of the world may or may not work out to the advantage of those countries as anticipated. But in Canada, for better or for worse, we are now to have a Bank of Canada set up, to be a bankers' bank.

Bankers Ready to Help

"Bankers are realists; they are ready to make the best possible use of the materials at their hands, and when the central bank is established, the Government and the people of this country can rest assured that the bankers of Canada will unanimously do their utmost to co-operate with the Bank of Canada in the interests of the country at large.

"By Chapter 34 of the Statutes of 1934, assented to on June 28 last, it became lawful for the Minister of Finance to issue additional Dominion notes, as to which no specific security of any form need be held, to the amount of $52,500,000.

On June 30, two days after the Act came into force, the amount of Dominion notes issued and outstanding was $172,657,000. On September 30 the issue of Dominion notes had been increased from this sum to $207,000,000, an increase of over $34,000,000 in the interim.

Effect on Banks

"The new issues were used presumably to meet government obligations of various kinds. The effect upon the banks of this large increase in Dominion note issues is shown by the following figures:

"On June 30 the banks had in their possession $125,425,000 of Dominion notes. On September 30 the amount of the holding of the banks of Dominion notes was $157,796,000, an increase between the dates named of approximately $32,300,000. The balances of all kinds due to the Dominion Government by the banks as of June 30 totalled over $37,000,000, and on September 30 were less than $33,700,000, so that no part of this increase of $32,300,000 in Dominion note holdings of the banks can be attributed to increased balances at the credit of the Government.

Transactions Outlined

"Customers of the banks, who were paid off by the Government out of the balances created by these government deposits of legals, in turn paid into the banks the amounts so received, and in many instances paid off or reduced their interest-bearing obligations to the banks or put the money on savings deposit in the banks. For the time being it would appear that the Government has received credit which costs it nothing and for a good deal of which the banks have had to pay.

"The fact that the banks' holdings of Dominion notes had increased so materially by accumulations of these issues in a short space of time indicates that the banks were not able to employ the money forthwith, with advantage. Until such time as the demands of business absorb this extra issue, the issue will be made largely at the expense of the banks. If business so improves as to require the use of these funds, the burden of the issue upon the banks will be correspondingly lessened.

Saving Feature

situation so far as the character of stiuation so far as the character of the unsecured issue is concerned: When the Bank of Canada begins to function, the Dominion Government will be obliged to hand over to it in respect of these fresh issues (as well as all other uncovered Dominion note issues) securities of the Dominion of Canada bearing interest at 3 per cent per annum, payable half-yearly and having a maturity not exceeding five years.

Notes To Be Secured

"That feature in the Bank of Canada Act makes the debt of the Government of Canada, in respect of the increased issue first hereinbefore referred to and of the other uncovered Dominion note issues, a live and an actually visible security in the possession of the Bank of Canada itself. These debentures, or other form of bond issue, will be an asset marketable in an hour if need be, and together with the Bank of Canada's gold holdings and all other securities held by the Bank of Canada will give the note issues of the bank a solid basis. For every dollar of the note issues of the Bank of Canada outstanding there will be gold and securities equal to the issue. This is in substance the principle of the note structure of the Bank of England and of the Federal Reserve banks of the United States."

Railway Situation Serious

Mr. Dodd's presidential address drew attention to the railway situation in this country. After reviewing the heavy deficits of the nationally owned railway and the recommendations made by the Duff Commisson, he said:

"No doubt some steps have been taken in accordance with the recommendations referred to, but it is apparent from the figures quoted that much yet remains to be done. Whether it is possible to carry out the Commission's recommendations and bring about the desired results or to adopt other equally effective measures are, we respectfully urge, matters requiring early consideration and remedial action."

Need Balanced Budget

In concluding his address Mr. Dodds made extensive remarks on the need of balancing the Federal budget. He referred to the successful manner in which the British Government had balanced its accounts, while in the United States the government has piled up a huge deficit.

Honored by C.B.A.

J. A. McLEOD

President of the Bank of Nova Scotia, who has been elected an honorary president of the Bankers Association. In order to do this it was necessary to increase the number of honorary presidents from four to five.

EXPERTS STUDY MONEY PROBLEMS BANK OF CANADA

Publish Discussions as Section of New Book on Economics

A comprehensive survey of Canadian monetary problems which the new Bank of Canada will encounter is contained in "The Canadian Economy and Its Problems," recently published by the Canadian Institute of International Affairs.

A 126-page section of the book is devoted to "Canadian Monetary Problems of the Central Bank." This is a series of six papers and discussions thereon in 1933 and 1934 by a study group of Canadian financial and economic authorities.

Bankers Contribute

A. F. W. Plumptre, of the University of Toronto, outlines the instruments for central bank control of credit in Canada in the initial paper. F. C. Biggar, secretary of The Canadian Bank of Commerce, analyzes Mr. Plumptre's remarks from the banker's viewpoint.

H. R. Jackman, of Canadian General Investments, in the second paper, outlines the monetary needs for control of investment and proposals for public works. H. J. Coon, manager of the investment department of The Bank of Nova Scotia, points out some of the considerations involved in altering interest rates. Other members of the group which made the study comment on some of the problems in encouraging the construction industries in Canada by monetary means.

The third topic, importation of capital into Canada, is analyzed by J. Courtland Elliott, of A. E. Ames & Co. with a reply by Harold Fry, of Fry, Mills, Spence & Co. J. M. Macdonnell, general manager of the National Trust Co., figures prominently in the subsequent discussion.

Control of Exchange

The problem of control of foreign exchange rates is presented by H. D. Scott, manager of the British and foreign department of the Imperial Bank of Canada, who finds that unstable exchanges are only an effect rather than the cause of our economic troubles. There is detailed discussion of this major Canadian monetary problem.

J. Douglas Gibson, of The Bank of Nova Scotia and Professor Gilbert E. Jackson, professor of economics at the University of Toronto, are the authors of the two final papers on the topics, "Central Banking Reserves" and "The World in which our Central Bank Will Work," respectively. Mr. Gibson's paper is an analysis of the various types of central bank reserves, their advantages and disadvantages. Mr. Jackson outlines the course of the international economy in the last 70 years, and the trend to economic nationalism as related to Canada.

The discussions of Canadian monetary policy comprise one of the few authoritative sources of information on this subject. The monetary section is a valuable reference for those who are students of the problems that will beset the Bank of Canada. The Canadian Economy and Its Problems is priced at $2.50.

Foreign Exchange Markets

THERE has been something in the nature of a fresh flight to the pound. Political disturbances in France have weakened the franc with the effect of disguising the full strength of sterling against American dollars. The French disorders are considered outward indications of the implications of deflation. It is conceded that sentiment for devaluation of gold standard currencies is growing.

The Canadian dollar has been steady against sterling and the U. S. dollar. The order of the U. S. treasury early this week permitting exports of capital may have some effect on exchanges by restoration of confidence in the American currency. As far as Canada is concerned, however, Americans have had little difficulty in obtaining exchange for financial dealings.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 12
U. S. dollar, High	.5906	.97¾	.97 1/16	.97⅝	.97 11/16	.97 11/16	.97 11/16
Low	.5906	.97 1/16	.97½	.97 1/16	.97 11/16	.97 11/16	.97 1/16
1933 High	1.000	1.00⅛	1.00 1/16	1.00 1/16	1.00	1.00 1/16	1.00⅛
Low	1.000	1.00 1/64	1.00 1/16	1.00	1.00⅛	1.00⅛	1.00½
U. K. pound	4.8665	4.87¾	4.87	4.88½	4.87½	4.87¼	4.87¼
Argentina	.4246	.2440	.2437	.2538	.2538	.2537	....
Australia	4.8665	3.8769	3.8807	3.8861	3.8793	3.8758	....
Austria	.1407	.1851	.1849	.1849	.1849	.1848	....
Belgium	.1392	.2286	.2279	.2281	.2281	.2280	.2281
Brazil	.1963	.0718	.0717	.0717	.0717	.0717	.0711
Czechoslovakia	.0296	.0409	.0408	.0408	.0408½	.0408	.0409
Denmark	.2680	.2178	.2179	.2183	.2177	.2175	.2175
France	.0392	.0644¾	.0642	.0643	.0643¾	.0642	.0642
Germany	.2382	.3935	.3924	.3932	.3931	.3928	.3930
Greece	.0130	.0093½	.0092	.0092¼	.0092½	.0092½	.0093
Holland	.4020	.6610	.6595	.6603	.6603	.6599	.6600
Hungary	.1749	.2936	.2927	.2928	.2923	.2926	.2927
India	.3650	.3690	.3693	.3724	.3709	.3707	....
Italy	.0526	.0835	.0833	.0834	.0835	.0834½	.0836½
Japan	.4985	.2865	.2877	.2899	.2884	.2878	.2875
Jugoslavia	.1929	.0224	.0222	.0222	.0223½	.0223	.0224
New Zealand	4.8665	3.8924	3.8962	3.9016	3.8948	3.8913	....
Norway	.2680	.2451	.2452	.2458	.2450	.2449	.2450
Poland	.1122	.1858	.1856	.1857	.1857	.1856	....
South Africa	4.8666	4.8636	4.8683	4.8751	4.8686	4.8622	....
Spain	.1929	.1335	.1331	.1332	.1333	.1333	.1335
Sweden	.2680	.2515	.2516	.2522	.2515	.2512	.2513
Switzerland	.1930	.3180	.3175	.3180	.3181	.3180	.3181
Hong Kong	.5422	.3983	.3979	.4027	.4041	.4058	.4054

DOMINION BUDGET MORE UNBALANCED EXPENSES HIGHER

October Figures Show Reversal Earlier Trend Toward Balance

The Dominion Government's budget is becoming further unbalanced, reversing the trend toward a balance established earlier in the current fiscal year, which ends March 31, 1935.

For the seven months ended Oct. 31, every revenue item shows an increase, the total gain being nearly $26.8 millions over last year. Expenditures advanced only $15.2 millions in the same period. The recent trend, however, is shown in the figures for October. Expenditures were up more than $15.5 millions, while revenues were not quite $1.2 above the October, 1933, figures.

Distorting Factor

The increase in expenditures in October is distorted by the change in the payment date on the large loan which matured Nov. 1, 1933. The interest is now paid Oct. 15, and accounts for nearly $4.4 millions of the rise in ordinary expenditures in October over the 1933 month. Even allowing for this, however, expenditures of the government were up $11.1 millions in the month. This is due chiefly to higher outlays for unemployment relief, radio commission, old age pensions, public works and capital outlays.

The Government budget position is some $11.6 millions better for the seven months than it was for the same period last year. But this will not last, if the October increases in expenditures continue.

Currency Issued

The large part of the deficit attributable to capital outlays is being paid for by issues of additional currency, and will not result in an increase in debt and interest burdens until the Bank of Canada starts operations.

Comparative budget figures follow:

Dominion Budget Experience
7 Months to Oct. 31

	1934 $ (000's)	1933 $ (000's)	Change $ (000's)
Revenue:			
Customs	45,299	36,188	+ 9,111
Excise duty	26,143	21,599	+ 4,544
Excise taxes	63,864	55,929	+ 7,935
Income tax	49,405	48,427	+ 978
Gold tax	3,873	.....	+ 3,873
Post office	15,982	15,820	+ 162
Misc.	11,273	11,171	+ 102
Spec. rcts.	223	131	+ 92
Total rev.	216,062	189,265	+26,797
Expenditures:			
Ordinary	196,783	185,902	+10,881
Special	30,364	24,343	+ 6,021
Capital	6,550	8,250	— 1,700
Total exps.	233,697	218,495	+15,202
Month of October			
Revenue:			
Customs	6,198	5,831	+ 367
Excise duty	4,238	3,077	+ 1,161
Excise taxes	10,112	10,521	— 409
Income tax	2,158	2,006	+ 152
Gold tax	575	.....	+ 575
Post office	2,100	2,101	— 1
Misc.	1,856	2,495	— 639
Spec. rcts.	11	18	— 7
Total rev.	27,248	26,049	+ 1,199
Expenditures:			
Ordinary	34,654	27,487	+ 7,167
Special	12,565	4,731	+ 7,834
Capital	1,083	546	+ 537
Total exps.	48,302	32,764	+15,538

Waterloo Trust & Savings Promotes H. H. Gould

Harry H. Gould, estates officer of the Kitchener branch of the Waterloo Trust & Savings Co., has been appointed manager of the Waterloo branch. He succeeds Elias S. Playford, manager of the Waterloo branch for the last 10 years, who died recently.

C. B. A. RE-ELECTS JACKSON DODDS

Officers for 1934-35 Named — A. W. Rogers Secretary-Treasurer

Jackson Dodds, joint general manager of the Bank of Montreal, was re-elected president of the Canadian Bankers Association at the annual meeting in Montreal last week.

Honorary presidents were elected for 1934-35 as follows: Sir John Aird, Toronto, president of The Canadian Bank of Commerce; Sir Frederick Williams-Taylor, London, director of The Bank of Montreal; C. A. Bogert, Toronto, chairman of the board of The Dominion Bank, John R. Lamb, Toronto, vice-president of The Bank of Toronto and J. A. McLeod, president of The Bank of Nova Scotia.

Vice-presidents are S. H. Logan, general manager, The Canadian Bank of Commerce; H. B. Henwood, general manager, The Bank of Toronto, and Dudley Dawson, general manager, The Dominion Bank, all of Toronto, and M. W. Wilson, Montreal, general manager, The Royal Bank of Canada.

Arthur W. Rogers, K.C., formerly assistant secretary-treasurer of the association, was elected secretary-treasurer, succeeding Henry T. Ross, K.C., who is retiring at the end of this year.

LaTuque Pays Coupons Up to November 1

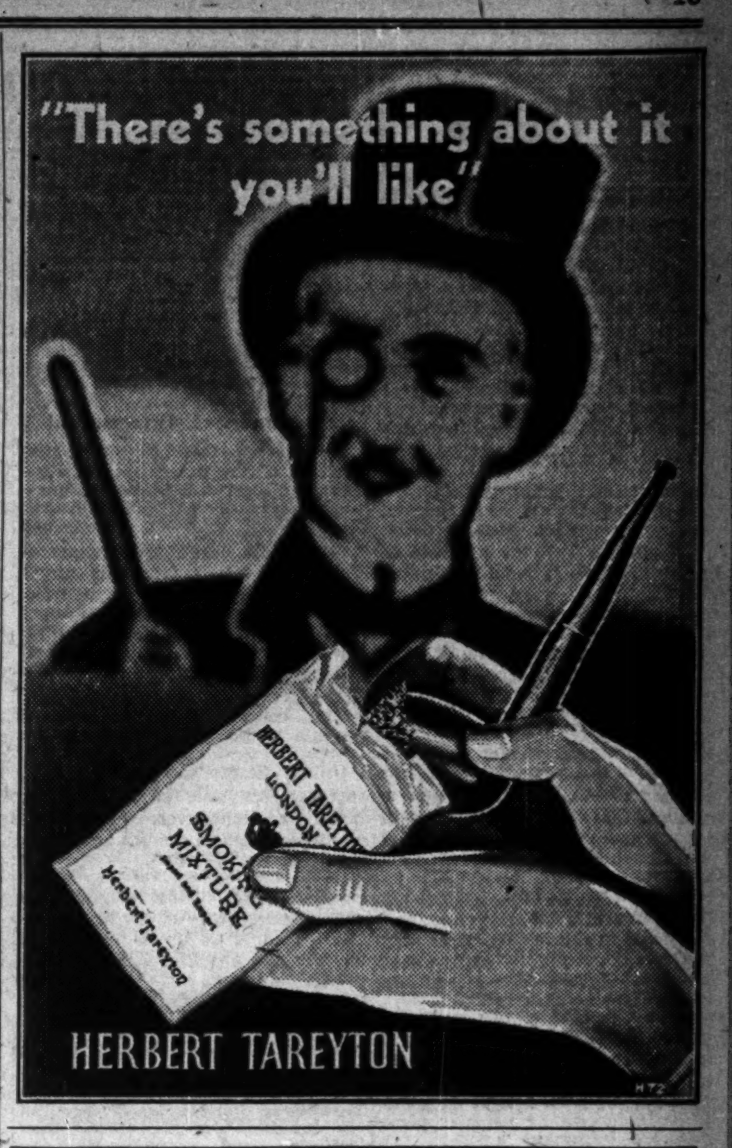
The town of La Tuque, Que., has been authorized by the Quebec Municipal Commission to deposit funds with its bank to cover coupons due Nov. 1, 1934.

Bondholders have been asked to present the coupons for payment, and holders of past due bonds, which bear no coupons, have been asked to register with P. E. Riberdy, La Tuque, so that he may send them cheques for interest.

Midland Owes Ontario $54,000 Relief Outlays

Town of Midland, Ont., which recently defaulted interest and principal of its debenture debt, owes the province of Ontario $54,000 in connection with relief disbursements, according to Hon. David Croll, provincial minister of Municipal Affairs.

Meanwhile Midland civic employees have not been paid in full for some weeks.



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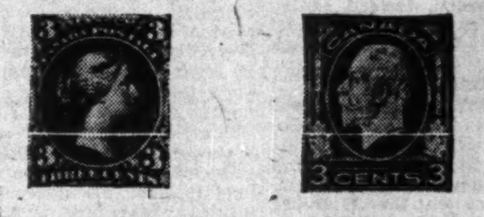

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Wheat

World Shipment Heavier

WINNIPEG.—World wheat shipments for the past week at 12,000,000 bushels, and the North American share in excess of 4,000,000 bushels were both encouragingly large. That was the first week of the current season in which shipments were substantially in excess of the corresponding week of last year, and also the first in which Canadian overseas shipments were larger.

Deliveries at country points in Western Canada are now running less than a million bushels daily, and it appears that the pressure of country marketings should be pretty well over for the year. That serves to balance the lack of export buying, which continues to be of small proportions on most days, with an occasional day on which good sales are reported.

* * *

Prices Above Peg

THE Winnipeg market continues to move to a considerable extent in sympathy with Chicago, where, however, there is more interest in coarse grains than in wheat. Traders south of the line appear to have been impressed by the imports of feed grains which have been made from Europe and the Argentine, and these tend to put a damper on any outbreaks of speculative enthusiasm.

Winnipeg prices continue to run two or three cents a bushel higher than the pegged levels recently established, and the Government agency has not been called on to make good its guarantee to take up at the pegged level hedges on farmers' grain bought by elevator companies. Government holdings are now believed to have passed the maximum, and it is assumed that from now on they will have to be gradually lessened, instead of increased, in order to allow the export of wheat from Canada to proceed.

* * *

McFarland Optimistic

JOHN I. McFARLAND, general manager of the Canadian Co-operative Wheat Producers Ltd., and the man in charge of the Dominion Government price stabilization operations on the Winnipeg market, presented an optimistic outlook on the wheat situation to the delegates of the Saskatchewan Wheat Pool on Monday. On the basis of estimates of world wheat requirements for the current year he saw no reason why Canada should not play a major rôle in wheat trade in the months ahead, and ship heavily without demoralizing the price structure.

He expected the United States to take considerable quantities of Canadian wheat, not only Durums and low grade wheat for feed such as have already been shipped, but also substantial quantities of high grade Canadian wheat for milling purposes. As a result it seemed not unlikely that Canada might have her wheat surplus down to normal before the end of the crop year, and if the United States were to take as much Canadian wheat as many Americans believe will be required there, Canada will have bare bins before the end of the next crop year.

He expressed satisfaction at the share of world trade being done by Canada. Against the 36 per cent of total world trade done by Canada last year he estimated that during the first quarter of the current year perhaps only 35 per cent had been done, but it was likely that for the whole crop year Canada might do 50 per cent of the world's export business.

CANADA MALTING DIVIDEND POLICY IS NOT CHANGED

No Increase Until Ratio Export to Domestic Sales Improves

No prospects of an increase in dividends for the shareholders of Canada Malting is indicated. At the annual meeting in Montreal this week the regular quarterly dividend of 37½ cents was declared and A. C. Matthews, president of the company firmly squelched any rumors of any immediate change in such a policy.

Although the company reported the best year in the last seven with $3.12 earned per share on the common stock and a net profit of $620,384 after depreciation of $200,000 as against $398,112 profit and $150,000 depreciation for 1933, Mr. Matthews stated that until there was a more favorable relation between export and domestic sales and until the present rate of business could be considered more permanent, the regular dividend rate of $1.50 per annum would be maintained.

Sales Satisfactory

In the 1934 fiscal year ended July 31, export sales amounted to 53 per cent of the total business for the company whereas in 1933 the ratio was export 42 per cent and domestic 58.

"Sales are still being maintained satisfactorily," declared Mr. Matthews. "We would like to see a further improvement in the ratio of domestic sales to export, as it is not an entirely healthy situation to have to loan on export to such a large degree, owing to the very indefinite continuation of same."

"Several shareholders have enquired either by letter or direct question, Mr. Matthews continued, regarding an extra dividend or bonus. In answering this question, I would ask you to cast your minds back over the past six years. This company has maintained and paid the same dividend from 1928 to date without any cut. I think you will agree this is a rather enviable record, duplicated by comparatively few Canadian companies. In three of the four worst years of the depression, the dividend was earned by a very small margin, only two or three cents per share. In one year, it was not earned but profit and loss surplus had to be drawn upon to the extent of $50,000.

Earnings per Share

1934	$3.12
1933	2.00
1932*	1.39
1931	1.51
1930	1.24
1929	2.20
1928	1.94

* 11 months.

Grain and Milling in Canada

U.S. DEMAND MAKES LOW-GRADE GRAIN HIGHER IN PRICE

Change at Winnipeg Only, Alberta Farmers Complain

From Our Own Correspondent

WINNIPEG.—One of the curious features of the present price situation is to see No. 6 wheat at Winnipeg selling at a small premium over No. 5 wheat, with No. 5 and feed wheat at the same price, while at Vancouver No. 5 wheat is worth three cents a bushel more than No. 6, and seven cents a bushel more than feed wheat. That arises from the fact that No. 6 and feed wheat are being admitted by the United States as feed grain, at a rate of duty of ten cents a bushel, against 42 cents a bushel charged on milling wheat.

United States demand for such wheat makes itself felt at Winnipeg, but not at Vancouver. No. 5 wheat can be lowered in quality enough to get into the United States only by mixing it with feed wheat, and up to the present there has been so small a percentage of the actual arrivals grading as low as feed wheat as to make the No. 5 difficult to handle this way.

Coast Prices Lower

Another fact is that Vancouver prices on various grades are running anywhere from 2½ cents to 11 cents lower than Winnipeg prices, with Vancouver doing actually more of the country's export business than last year, and proportionately an even larger share, since the total of overseas shipments is considerably down from last. The effect of government stabilization operations, carried on in Winnipeg futures, is decidedly less at Vancouver, either in raising prices or inhibiting exports than at Winnipeg or in connection with the eastern route.

Complaints are heard among Alberta farmers who watch the situation closely that they are getting no benefit from the government stabilization operations, or at least less than farmers in the provinces east of them, for to take advantage of the higher Winnipeg prices they have to sacrifice the benefit of the lower rail rates to Vancouver. Over much of Alberta it is from 4 to 9 cents per hundred pounds, or from 2.4 to 5.4 cents a bushel cheaper to ship grain to Vancouver than to the head of the lakes, and in previous years this has frequently been a matter of substantial advantage. But now the more expensive eastern route has to be taken on all wheat from some points, and on some wheat from all points. This is in contrast with previous years when in addition to the advantage of the freight differential, Alberta farmers have frequently had the advantage of higher prices prevailing at Vancouver than at Winnipeg.

Unfair to Alberta

There is a tendency to complain that if farmers are being subsidized by the government operations, those in Saskatchewan and Manitoba have had an unfairly large share of the benefit, both because of the situation just mentioned, and also because a larger proportionate share of the eastern crop was moved when the government agency was buying wheat at prices substantially above present levels. Also, because those provinces had a larger proportion of high-grade wheat which is benefitted by such operations, than Alberta, handicapped both by a later harvest and by much low-grade wheat.

NEW SECURITIES FOR MAPLE LEAF

Investors in Maple Leaf Milling Co. have been advised that they may now exchange their securities for new bonds and shares to be issued under the plan of reorganization approved last summer.

Toronto Stock Exchange has posted 29,669 new class A preferred shares and 250,100 new common shares for trading. Old shares have been de-listed.

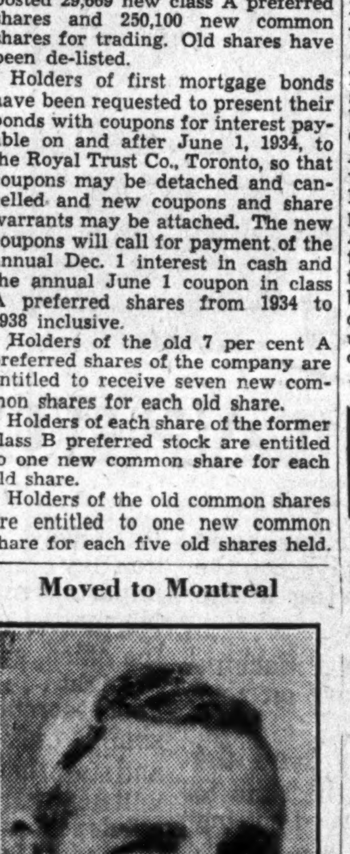
Holders of first mortgage bonds have been requested to present their bonds with coupons for interest payable on and after June 1, 1934, to the Royal Trust Co., Toronto, so that coupons may be detached and cancelled and new coupons and share warrants may be attached. The new coupons will call for payment of the annual Dec. 1 interest in cash and the annual June 1 coupon in class A preferred shares from 1934 to 1938 inclusive.

Holders of the old 7 per cent A preferred shares of the company are entitled to receive seven new common shares for each old share.

Holders of each share of the former class B preferred stock are entitled to one new common share for each old share.

Holders of the old common shares are entitled to one new common share for each five old shares held.

Moved to Montreal



J. M. BREEN

Who has been transferred from Toronto office to Montreal by The Canada Cement Co. to be chief of the technical staff. Mr. Breen is a graduate in engineering of the University of Toronto and is an expert on football as well as cement.

Suggests Canada Move To Stop Wheat Dumping

United Grain Growers Annual Report Would Find Use for International Wheat Committee — Argentine Threat Reviewed

From Our Own Correspondent

WINNIPEG — Suggestion that Canada should move in an endeavor to stop subsidized dumping of wheat on the international market is contained in the annual review of the grain market situation by the research department of United Grain Growers, released at the company's recent annual meeting. After pronouncing as a failure the London Wheat Agreement of 1934, the review goes on to say:

"There is, however, a field in which international agreement might be effective, even although control of acreage and of shipments have both proved to be impracticable, and it is a field so far neglected. It lies in restraining the subsidizing of dumped wheat exports into the international market. The French government has lately been buying wheat from French farmers at a price roughly equivalent to $2.20 a bushel and selling it in Great Britain and other countries at about 66 cents a bushel.

Many Subsidies

"Last year the United States government spent $7,000,000 in export subsidies on 27,000,000 bushels of grain. The Danubian countries have spent millions of dollars on such subsidies. Other countries have indulged in corresponding practices, throwing wheat on to international markets regardless of cost. While such government payments are intended to benefit home farmers, they result in driving down the international price of wheat and forcing producers to continue subsidizing consumers by furnishing wheat at less than the cost of production.

"If international conversations on wheat are to continue, Canada might well seek agreement with other exporting countries to discontinue such practices. Failing that, an agreement might be sought with importing countries that such dumped wheat would be refused entry, or an agreement with Great Britain to levy a compensating tax on all such wheat offered in the British market. Since dumping is almost universally regarded as a reprehensible practice in international trade, and since the price of wheat has been recognized as an international concern, some such agreement should not be regarded as impossible to achieve. To attain it, Canada could well afford to accept some restrictions on her own freedom of action."

Gain By Argentina

Another feature of interest is the analysis of gains made in the British market at the expense of Canada by Argentine wheat, as follows:

"Much of the gain made by Argentina has been in the British market. During the pre-war period, from 1909 to 1913, Argentina shipped into the United Kingdom annually an average of 31.5 million bushels, or 14.3 per cent of total imports. During that period the corresponding shipments from Canada amounted to an average of 53.8 million bushels, or 24.4 per cent of the total for the United Kingdom. But when we come to the period 1924-29 we find that while Argentina had increased her business in Great Britain to an average of 44.1 million bushels or 20 per cent of the total, Canada had made a much greater increase to an average of 97.2 million bushels, or 44.3 per cent of the total. Thus Argentina was doing less than half as much business in wheat in the British market as was Canada during the five years which covered both Canada's greatest wheat exports and her largest trade in Great Britain.

"Since then Argentina has gained substantially on Canada in the British market, for last year, 1933-34, while Canada was shipping to the United Kingdom 68,692,000 bushels or only 33 per cent of British imports; Argentina had increased her share of the market to 53,804,000 bushels, or 27 per cent. Although Canada's share had declined, and Argentina's increased, Canada, it will be seen, was still in the lead. But if we take the three months' period, including June, July and August of 1934, we find that Argentina is ahead of Canada, delivering to the United Kingdom 19,450,000 bushels against 14,500,000 for Canada during the same period, which figures represent almost exactly 40 per cent and 30 per cent respectively for Argentina and Canada.

Argentina, it is evident, has been displacing Canadian wheat to some extent in the British market, but to a more important extent it is evident that it is Argentina, and neither Canada nor Australia, that has been falling heir to the wheat trade formerly done with the United Kingdom by Russia, the United States and other countries from which Great Britain formerly drew large supplies."

Exports Limited

The review is somewhat sceptical as to the likelihood of Canada exporting this year one hundred million bushels more wheat than during the past crop year, according to estimates which have recently been repeated. It says:

"At the end of the first three months of the crop year these expectations have not been sustained by shipments made to date, for world shipments have been short by almost a million bushels weekly from the average for the year that would be required, and Canadian shipments have so far been less instead of more than last year. Hopes are still expressed that such expectations may yet be filled, and that after reserves and home crops have been drawn upon, importers may increase their takings of wheat, and call on Canada for increased supplies. But the ability of various countries to get along without increased imports, and also their ability to obtain needed supplies elsewhere than in Canada, still remain possibilities.

U. S. A. Out Permanently

Possibility is seen of the permanent retirement of the United States from the export trade in wheat, as that country is pursuing agricultural price polices inconsistent with maintenance of export trade. The review concludes:

"While tariffs of various countries remain at high levels against wheat and flour, and are reinforced by milling quotas, a much larger world trade would be possible in wheat were it not for difficulties connected with making payments for international shipments. In some countries imports are either forbidden or restricted as part of national policies connected with maintaining the exchange level of currencies, while in others ordinary commercial conditions, arising out of the lack of exports, would make it almost impossible to provide the means for paying for imports. Although there is believed to have been a decided improvement in world economic conditions from the lowest points reached during the depression, this is so far reflected less in conditions governing international than those governing domestic trade. And a combination of unemployment and various other causes still prevents many millions of the world's population from consuming either as much or as great a variety of food as they would like to have.

"Conditions relating to wheat alone indicate various factors promising improvement. The reduction in the world's surplus wheat and the cutting down of other food and feed supplies marks an important change. So also is the trend beginning to be noticed in various countries to shift emphasis from production of wheat to other crops. If a return to former high levels of international trade in wheat remains unlikely for a while there are possibilities of growth. And if the international market has shrunk, so also have its sources of supply, with various countries retiring in part or wholly from efforts to compete there, leaving to Canada an opportunity to provide a higher percentage of the total market than in former years. That fact should be kept in mind in the framing of Canadian marketing and trade policies."

St. Benoit Village Pays November 1 Coupons

Village of St. Benoit-Joseph-Labre, Que., has been authorized by the Quebec Municipal Commission to pay interest due Nov. 1 on bonds issued under by-law No. 2.

A number of coupons due in 1933 and 1934 have not been cashed, although the necessary funds are on deposit with the bank. Holders of past due bonds have been asked to register with the secretary-treasurer of the village so that cheques covering interest may be mailed.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Nov. 9	59,900,493	60,906,648	63,347,094
Country elevators, Nov. 2	98,367,870	98,152,999	104,143,349
Total, all points, Nov. 2	254,355,601	249,616,324	251,795,916
World Shipments, incl. flour, Nov. 9:			
North American	4,309,000	3,407,000	5,277,000
Argentine	4,158,000	1,962,000	915,000
Black Sea*	80,000	584,000	1,296,000
Australian	2,812,000	3,216,000	1,226,000
Total, world	12,429,000	10,169,000	9,594,000
Visible Stocks:			
Canadian, Nov. 9	141,243,000	138,591,000	136,900,000
United States, Nov. 3	100,700,000	103,079,000	141,880,000
Argentine, Nov. 9	14,329,000	14,696,000	9,185,000
Australian, Nov. 9	21,035,000	25,000,000	13,245,000
Country Marketings and Exports:†			
Canadian exports, Nov. 2	2,944,151	3,411,219	3,472,353
Cum. to Nov. 2 (14 weeks)	42,226,319	39,282,168	59,308,089
Country marketings, Oct. 26	10,426,000	12,960,738	10,420,000
Cum. to Oct. 26 (13 weeks)	133,030,579	122,604,579	128,460,000
Country deliveries, Nov. 9‡	6,035,000	8,499,000	6,455,000
Country loadings, Nov. 9‡	6,315,000	6,828,000	5,953,000

* Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to November 13

Crop year from Aug. 1, 1934 High	Low		Open Nov. 7	High for week	Low for week	Close Nov. 13
		Wheat				
.97	.74⅞	December	.78⅝	.79⅞	.77½	.78⅜
1.00½	.79⅞	May	.83⅜	.84½	.82⅛	.83
.85¾	.83	July	....	.85¾	.83	.83⅞
		Oats				
.47⅞	.38½	December	.42	.42¾	.41½	.42⅛
.49⅝	.39¾	May	.43⅜	.44⅜	.42⅝	.43⅜
.44½	.42¾	July	....	.44½	.42¾	.43¾
		Barley				
.63¾	.49	December	.51⅞	.52½	.50⅝	.51⅜
.65	.50¾	May	.54⅞	.55⅞	.53½	.54¼
.55⅞	.54⅝	July	....	.55⅞	.54⅝	.54⅝
		Flax				
1.74⅝	1.19	December	1.34½	1.37¼	1.34¼	1.35½
1.73½	1.28	May	1.40	1.43	1.39	1.40¾
		Rye				
.77	.51¼	December	.56½	.57½	.55	.56¾
.80⅛	.55⅝	May	.60⅝	.61¼	.59	.60⅜
.62	.59¾	July	....	.62	.59¾	.60⅜

Argentine News Leading Factor In Wheat Market

From Our Own Correspondent

WINNIPEG.—Prospects for the growing Argentine crop continue to constitute one of the most important factors in the wheat market. A tentative estimate has appeared of a production of 225,000,000 bushels. While this would represent a fair average crop, it would be well below the almost record production of last year which was 285,000,000 bushels. Danger from locusts is referred to in almost every dispatch from Argentina, but although this is an annually recurring menace it is one from which it is not usual for damage to be very heavy. Locusts are a dry weather phenomenon, but some districts report they have had too much rain, and damage from rust is feared.

Undoubtedly the Argentine crop is now at a stage when a good deal of damage may be experienced before it is cut, but it is also the case that such damage is more of a possibility than an actuality. Argentina's own needs are for about 90,000,000 bushels of wheat, and to take care of the needs of Brazil she needs to hold back 12 or 15 million bushels for shipment during the last half of the year. But it is the custom of the country to sell most of its export grain during the first half of the crop year, and it is only after extra heavy crops, such as that of last year, when much wheat is retained for sale during the latter part of the crop year.

Such reduction in yield, therefore, as takes place in comparison with last year's crop is not likely to result in much reduction from the current weekly shipments of Argentine wheat before the end of the current crop year at July 31 next, but rather in leaving the southern country with a comparatively small quantity to be shipped after that date.

'HAT GREENHOUSES EARNINGS REDUCED

Deficit $1,145 Despite Lower Provision for Depreciation

Medicine Hat Greenhouses had smaller net earnings in the year ended July 31, 1934. Although depreciation allowance was only $6,688, or 25 per cent of the amount allowable for income tax purposes, a deficit of $1,145 was shown for the year, compared with $1,353 in the preceding period. The depreciation allowance in the 1933 year was $10,596.

Preferred dividends from July 15, 1932, are in arrears, the last payment having been $1.75 a share on July 15, 1933, on account of arrears.

Income account follows:

Income and Surplus Account Years Ended July 31

	1934 $	1933 $
Net earnings	5,543	9,243
Less: Deprec. reserve	6,688	10,596
Net loss	1,145	1,353
Less appropriations: Preferred dividends	......	5,688
Deficit for year	1,145	7,041
Add: Previous surplus	212	7,253
Bal. carried forward	*933	212

* Deficit.

Working capital showed a reduction to $68,301, from $74,190 at July 31, 1933. Inventory and supplies stood at $48,637, investments at $10,538 and receivables and cash at $10,538. The auditors state that an additional $2,500 should be provided as a reserve for bad debts.

Working capital comparison follows:

Working Capital

	1934 $	1933 $
Current assets	73,464	76,506
Current liabilities	5,163	2,316
Working capital	68,301	74,190
Ratio	14.22—1	33.03—1

Balance sheet changes are of a minor nature. The preferred stock outstanding amounts to $325,000.

Cap de la Madeleine Pays Interest Due November 1

City of Cap-de-la-Madeleine, Que., has been authorized by the Quebec Municipal Commission to pay interest due Nov. 1, 1934, on bonds issued under by-law 54 and 120.

Holders of past due bonds to which no coupons are attached, have been requested to register with F. Beaumier, city clerk, so that cheques covering interest may be mailed.

Maple Leaf Milling Company, Limited

NOTICE

TO THE HOLDERS OF 7% CUMULATIVE REDEEMABLE PREFERENCE SHARES OF $100 EACH; CLASS B CUMULATIVE REDEEMABLE PREFERENCE SHARES OF NO PAR VALUE; COMMON SHARES OF NO PAR VALUE.

NOTICE IS HEREBY GIVEN that the Scheme for the Reconstruction of Maple Leaf Milling Company, Limited, which was sanctioned by extraordinary resolutions passed at a meeting of the holders of the 5½% First (Closed) Mortgage Twenty-Year Sinking Fund Gold Bonds due 1949 of the Company held on 28th June, 1934, and 19th July, 1934, and the reduction and reorganization of the share capital of the Company in accordance with the said Scheme, are now in effect and accordingly that all shareholders are required to surrender their share certificates at the office of the Company's Transfer Agent, Montreal Trust Company, 61 Yonge Street, Toronto, forthwith in exchange for share certificates representing shares to which they are respectively entitled in accordance with the said Scheme as below specified, namely:

(1) Seven new common shares in the capital of the Company as reduced and reorganized as aforesaid for each old 7% Cumulative Redeemable Preference Share of $100 each;

(2) One such new common share for each old Class B Cumulative Redeemable Preference Share of no par value;

(3) One such new common share for each five common shares of no par value.

A person entitled to a fraction of a share will receive a bearer certificate or certificates representing such fraction entitling the bearer to receive a certificate for one common share upon surrender of certificates representing sufficient fractions to make up a full share.

New share certificates will be registered in the same names as the certificates in exchange for which they are issued, unless other instructions are given as indicated in the letter of transmittal. Share certificates transmitted by mail should be accompanied by the transmittal letter, forms of which may be obtained from the Montreal Trust Company, 61 Yonge St., Toronto, Ontario.

Dated at Toronto this 8th day of November, 1934.

By Order of the Directors,

MAPLE LEAF MILLING COMPANY, LIMITED.

By G. H. HAND, Secretary.

PLANS PERFECTED FOR U. S. BUYING OF HAY, STRAW

Alberta and Manitoba Chief Provinces Concerned

From Our Own Correspondent

WASHINGTON, D.C.—Plans have been perfected for the buying of hay, straw and roughage on a large scale in Canada through the American Federal Surplus Relief Corporation. This feed is for distribution in the drought-afflicted states of the west and midwest. It will not be supplied free, however, except to farmers on relief; those who can pay, must.

By an arrangement consummated with Hon. George Hoadley, minister of agriculture in Alberta, that province will deal directly with agents of the United States Federal Corporation doing the buying. The plan is to reduce speculation to a minimum, get the largest available price for the Canadian grower of the feed, and supply it at the lowest possible price to the drought-stricken American livestock owners. Alberta will name agents to buy direct from the farmers; in turn, the provincial government will sell to the American F. R. S. C., paying the Alberta farmers in Canadian funds. The exchange of American for Canadian funds will be handled through Ottawa, the Dominion Government having assured co-operation. But the feed will be shipped direct to points of delivery in the drought-stricken states.

Rail Concessions

Alberta has available for immediate delivery some 25,000 tons of hay and 100,000 tons of northern straw, cut on the green side, making it most suitable for feed. Efforts will also be made to get the Canadian railways to grant the same concession as given by the American lines—50 per cent off the regular rate on hay and 33 per cent off the rate on inferior feed and straw.

A small amount of surplus straw is also available in Saskatchewan, but most of the hay and roughage in that province is required for the drought-stricken regions in the southern section.

North Dakota some time ago started buying relief hay and feed in Manitoba on its own initiative. This resulted in considerable confusion, as well as difficulty over the transfer of funds. North Dakota agents have contracted for some 500,000 tons of feed in Manitoba. The federal agency will not interfere with the North Dakota arrangements except to purchase any surplus supplies that may be available. If the provincial government desires to make a similar arrangement as in the case of Alberta, that would be welcomed by the American F.S.R.C.

Prices Quoted

Prevailing prices for this Canadian feed are on the following scale:

Hay, $3 to $4 a ton for grain hay, $5 to $6 for grass, $8 for alfalfa. When baling and loading charges aggregating some $3.50 a ton, and freight of $4 to $5 is added, this brings the respective prices on a range from $14 to $20 delivered at nearest American points. In the case of straw, the prices range from 50c. to $1.50 a ton as it is loose in the fields or gathered; loading, baling and freight costs will bring the total cost delivered to from $8 to $12 a ton.

The feed shortage in the United States originally was estimated at 23,000,000 tons, the difference between normal consumption of 80,000,000 and visible supplies of 57,000,000. But slaughtering of more than 7,000,000 cattle has greatly reduced the actual shortage together with bringing out of unexpected supplies due to the high prices. The American requirements, however, are still several million tons short.

Maple Leaf Milling Company, Limited

NOTICE

TO THE HOLDERS OF 5½% FIRST (CLOSED) MORTGAGE TWENTY-YEAR SINKING FUND GOLD BONDS DUE 1949.

NOTICE IS HEREBY GIVEN that the Scheme for the Reconstruction of Maple Leaf Milling Company, Limited, which was sanctioned by extraordinary resolutions passed at a meeting of the holders of the 5½% First (Closed) Mortgage Twenty-Year Sinking Fund Gold Bonds due 1949 of the Company held on 28th June, 1934, and 19th July, 1934, and the reduction and reorganization of the share capital of the Company in accordance with the said Scheme, are now in effect and that the rights of the holders of the Bonds against the Company or its property are now modified in accordance with the provisions of the said Scheme:

And, accordingly, that all bondholders are required to present their Bonds with coupons for interest payable on and after June 1st, 1934, to the office of The Royal Trust Company, 59 Yonge Street, Toronto, in order that such coupons may be detached and cancelled and that new coupons representing interest payable only in lawful money of Canada and share warrants representing half yearly interest due on the first day of June in each of the years 1934 to 1938, inclusive, to be satisfied by delivery of Class A Redeemable Participating Preferred Shares in accordance with the said Scheme may be substituted therefor and that suitable reference to the modifications and compromises of the rights of the bondholders under the terms of the said extraordinary resolutions may be endorsed on the Bonds:

And that, upon production of the said Bonds and cancellation and substitution of coupons as aforesaid and upon surrender of the appropriate share warrant, the Trustee will as soon as may be deliver certificates representing fully paid Class A Redeemable Participating Preferred Shares in satisfaction of the half-yearly interest on the Bonds which fell due on June 1st, 1934, at the rate of two such shares for each $1,000 principal amount of Bonds:

Holders of bearer Bonds must advise the Trustee in writing of their names and addresses for the purpose of the issue of share certificates, giving at least one Christian name and indicating whether Mr., Mrs., or Miss. In the case of registered Bonds, share certificates will be issued in the same name as shown on the Bond Register.

The Bonds transmitted by mail should be accompanied by a transmittal letter, forms of which may be obtained from The Royal Trust Company, 59 Yonge Street, Toronto, from any of its Branches in Canada, from its offices at Kinnaird House, Pall Mall East, London, S.W.1, England, or from the Agency of the Bank of Montreal, 64 Wall Street, New York, N.Y.

Dated at Toronto this 8th day of November, 1934.

By Order of the Directors.

MAPLE LEAF MILLING COMPANY, LIMITED.

By G. H. HAND, Secretary.

ESTD 1857

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75 Years' Experience in Domestic and Foreign Marketing of Grain

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Total Carrying Capacity 4,500,000 bus. per trip

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101 COAL SHEDS

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Massey-Harris Sales Up Defer Bond Sinking Fund

Massey-Harris Co.'s higher sales for the year ended November 30, 1934, are expected to bring about an improvement over the situation of the preceding year when there was a deficit of $1,420,865 on income from operations before depreciation and bond interest. The sales of the second half of the year have not been as high as those of the first half but it is understood that they compare well with the second half of 1933 nevertheless. On the whole year there will be an increase.

The company again paid the bond interest due October 15 on $8,700,000 five per cent bonds due 1947 but again did not provide for the retirement of $300,000 debentures as required by the trust deed. This action is taken with the idea that the interests of bondholders as well as of the company are at present served best by conserving liquid resources.

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As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

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ONT. EQUITABLE PLANS TO CHANGE NON-PAR RATES

Other Non-par Companies Say No Changes Imminent

Agents of the Ontario Equitable Life will assemble at Waterloo on Monday, November 19, to celebrate the company's 15th anniversay and hear news of important changes in rates and policy conditions, The Financial Post learns.

Details of rate changes are not available but it is understood rates will be higher for all "investment" types of policy and unchanged or even slightly lower for other plans. The governing factor in the change will be interest rates with the degree of change dependent on the part which investment funds play in the contract. There will be some change in surrender and paid up values it is learned.

Ontario Equitable Life is one of the few life insurance companies in Canada which write nothing but non-par business. Others are Aetna Life and Travelers of Hartford. No immediate change in rates is planned by these U. S. companies, it is learned.

Change in U. S. Mooted

New York dispatches last week indicated that the two U. S. A. companies both of which have their head offices in Hartford, Conn., would either increase rates or reduce surrender charges about January 1. The "Hartford" companies as they are called, write purely "non-par" business and usually act in unison in any move of this kind. They introduced a five per cent increase in their rates a year and a half ago.

Aetna Life Position

A Canadian official of the Aetna Life informed The Post that his company always gave three months notice of any change in rates or policy conditions and that as yet no announcement had been made of any changes for 1935. He expressed the opinion that eventually his company's rates would be increased, but doubted if any action would be taken before March 1. Most changes of this nature usually became effective on April 1, for his company, he explained.

A Canadian agency official of the Travelers Life doubted if any change would be announced in the near future or in 1935, for his company.

The explanation of the reported move in the United States toward higher non-par rates was explained by the New York Journal of Commerce in a recent issue as follows:

"The rates of non-participating companies, the principal of which are the Aetna Life Insurance Co., the Travelers and the Connecticut General, contain little loading for expenses. This is because they are able to meet their acquisition cost from the profit on the mortality in the early years that the business is on the books, and the renewal costs and profit for stockholders come from the excess interest over the three per cent or the 3½ per cent basis on which they operate. When they could realize 4½ per cent or more on their investments they could meet all expenses and make a profit, but with the decrease in interest earnings their margin is reduced."

Great-West Records Big October Sales

Life insurance written by the Great-West Life Assurance Co. during October amounted to more than $8,500,000, the largest total since June, 1931. In addition, the ordinary business of the company was increased in total by the largest amount for any one month since June, 1930. During two days of the month the agents wrote a million dollars each a day. Altogether, 2,474 policies were issued, the average amount of each being $3,447.

Michigan, under the managership of T. S. Coleman, and Detroit city manager A. P. Johnson, led all branches in paid and applied for business and had the best month since November, 1931. The Winnipeg agency under the managership of

New Canada Life Director Has International Viewpoint

Canada Life Assurance Co. gained as a director last week, Edwin G. Baker, right-hand man of S. J. Moore in his $9,000,000 Moore Corporation.

Starting as secretary of the original sales book firm of Carter, Crume Co. in 1906, Mr. Baker has grown steadily alongside the international manufacturing group which now bears the Moore name. He has been first vice-president of Moore Corporation since its incorporation in 1928. Previous to that he was secretary and subsequently vice-president for most of the companies in the Moore group. At the present time he is president of Pacific Burt Co. and vice-president of F. N. Burt Co., American Sales Book Co. and Gilman Fanfold Corp.

Y. M. C. A. Leader

A strong friend of the Y. M. C. A. throughout the world, Mr. Baker is a member of the National Council of that body in Canada and formerly chairman of the executive committee. He is a former president of the International Convention of the Y. M. C. A. of the United States and Canada and a member of the World's Committee (Geneva). He has been president of the Toronto Bible College since 1929.

By reason of the fact that most of the Moore Corporation properties are in the United States, Mr. Baker spends much of his time in that country. He is as well versed in business practice and problems in the U. S. as he is in Canada. Frequent trips to the British Isles by reason of his wife's home being in Scotland, round out his viewpoint and experience.

EDWIN G. BAKER

Life Companies Join Forces To Oppose Best's Ratings

Internationally-known Rating Bureau Refuses to Discontinue Present System of Comparison

This week a controversy between life insurance companies on this continent and the Alfred M. Best rating organization flared into print with publication by the American Life Convention of a statement supporting its stand against the publication of alphabetic life company "ratings."

"Ratings of companies" says the American Life Convention, which embraces five leading Canadian companies, "whether issued by Best or others now engaged in the same practice, made without supervision or consent of state authorities, are frequently misleading, inaccurate and dangerous to the best interests of life insurance."

Refuses To Discontinue

After "mature deliberation and thorough investigation" the convention requested the internationally-known rating organization to discontinue its alphabetic ratings, but in a letter dated November 3, Best refused to discontinue its practice. A check was apparently made of companies both within and without the convention and according to the A.L.C. statement, "In no instance did any company favor the use of comparative ratings as now issued."

Mr. Best, on the contrary, states that 98 per cent of his clients have declared in favor of continuing the ratings.

Centre of the controversy seems to be the question of legislative supervision and security valuations. Life companies maintain this to have been "wisely exercised" and have proved its worth in the past few years. "Insurance departments" say the life companies, "are the only authorities in a position to know the true financial status of a company."

Best Thinks Supervision Failure

Mr. Best on the other hand asserts vigorously that state supervision has failed. He apparently takes issue with the practice of valuing insurance securities as adopted by the state legislatures. To this the life companies reply:

"No supervisory authority can prevent fluctuations in the values of the assets of any company, nor can any one else. The true value of assets of life insurance companies during the past few years cannot be accurately measured by the current market price, any more than it could have been accurately measured by the market price of such securities during the boom days of 1928 and 1929, when such securities were selling at a market price greatly in excess of their real value.

"No private company, without official standing and without means of investigation, other than the superficial one of endeavoring to value securities held by companies by examination of lists of market values, has any legal or moral right to base a rating system on the conclusions so reached. Mr. Best has arrogated to himself the power to do so. We deny such power."

H. A. H. Baker, who has recently been promoted to manage the company's Toronto No. 1 branch, turned in 248 applications, leading the field in placed business and number of applications.

Confederation Life Reports $3,942,000 October Sales

Confederation Life Association reports sales of new insurance in October at $3,942,129. Total production in the first 10 months of the year is $36,439,000.

Over 60 per cent of the company's agencies are registering increases in paid for business according to C. D. Devlin, general superintendent of agencies.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

New York Fire and Manufacturing Lumbermen's

I would appreciate your advice regarding the New York Fire Insurance Company and the Manufacturing Lumbermen's Underwriters.

Do you recommend them?

New York Fire Insurance Co. and Manufacturing Lumbermen's Underwriters are regularly licensed with the federal department of insurance and, as such, maintain deposits equal to unearned premium reserves with the receiver-general expressly for the protection of Canadian policyholders.

Premiums written by the Manufacturing Lumbermen's in 1933 amounted to $141,705 while losses totalled $82,952. Loss ratio on the basis of premiums earned has been high, being 73 per cent in 1933 and 222 per cent in the previous year. As at December 31, 1933, the Manufacturing Lumbermen's maintained a deposit of $164,550 with the receiver-general.

New York Fire Insurance Co. had premiums written of $246,032 in 1933 and a loss of $93,987. Loss ratio was 53 per cent in 1933 and 73 per cent in the previous year. As at December 31, 1933, the deposit maintained with the receiver-general amounted to $177,880.

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"I had to work all my life to get the home clear and a little nest-egg besides.

"But The London Life insurance policy you have just bought combines in one document provision for Mabel and the children, and a pension for both of you when you're old.

"With the future made secure, Mabel and you will get much more enjoyment out of life as you travel along."

Financial Independence, the goal of all thinking people, is easily attained this London Life way. Canadians are buying London Life policies for these purposes at the rate of almost two million dollars a week.

Particulars of two-way "financial independence" policies will be gladly furnished without obligation.

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Insurance Inklings

A. deL. PANET, Great-West Life, recently appointed branch manager at Ottawa. Mr. Panet was formerly in charge of the Windsor branch of the company.

J. O'NEIL CHERRY has been appointed an inspector for the Great American group, with headquarters in Montreal. Mr. Cherry was formerly associated with the Alliance of Philadelphia.

FRED STOCK, Mutual Life of Canada, has been appointed manager of the new Timmins branch of that company. Mr. Stock was formerly associated with the company in Toronto.

Life Underwriters' Association of Toronto will be addressed on Nov. 15 by Paul Speicher, editor of R. & R. publication, Indianapolis. Subject of his address is "The Logic of Life Insurance."

Idle Plant Fire Hazard Needs Careful Study

National Fire Protection Association Describes Steps Taken in Typical Case to Protect Adjacent Industries

The problem of idle and vacant property as a community fire hazard has always been a factor in the field of fire prevention, regardless of economic conditions. It has, however, been accentuated during this period of decreased business activity.

Many industrial establishments, their output decreased, have consolidated their plants or have gone out of business entirely with a result that in most large cities and many smaller communities, buildings used for manufacturing purposes have been left vacant. Even with the revival of industrial activity, there are many vacant and obsolete buildings left and structures of this type unless properly maintained and cared for, present a serious individual and community fire hazard, according to an article in the currrent quarterly magazine of the National Fire Protection Association.

Many Fire Losses

Files of the National Fire Protection Association contain reports on 264 fires in idle and vacant property, and while approximately 60 per cent of them involve monetary losses of less than $25,000 it will be noted that 16 of them involving an aggregate loss of more than $5,000,000 caused serious loss to property other than that in which the fire originated, and at least five of them were of conflagration proportion. In compiling this record, all fires in idle and vacant property reported to this association from 1908 to date have been included.

The record is obviously by no means complete and does not include many fires in this class of property which have occurred from time to time but have not been reported to the various inspection bureaus. In this record, inspection bureau reports are the source of data on most of the fires recorded. No attempt has been made to obtain data on the many fires in vacant dwellings and mercantile establishments which have been so prevalent in most cities and towns during the past three years of acute economic depression.

Threatens Adjoining Plants

The extent of the idle building hazard to adjoining property is obvious when it is noted that of the total loss reported from fires originating in idle and vacant property from 1908 to date but 35 per cent was to the building or property in which the fire started. Sixty-five per cent of the loss was to exposed property.

Wholesale condemnation and demolition of such property by municipal authorities is being resorted to by a number of cities as a cure for the problem. This action is clearing out many breeding places for potential conflagration and at the same time providing employment for a considerable number of men. Private owners and fire insurance interests have co-operated in many instances with city authorities in maintaining adequate protection for vacant properties and safeguarding, in so far as possible, the processes of demolition of obsolete buildings.

Suggested Cures

An interesting example of the maintenance of proper safeguards against the serious conflagration hazard presented by the large vacant property is indicated by the procedure followed in one New England city.

When all fire insurance was cancelled by the owners in October, 1932, and private fire protection equipment shut off, this plant, consisting of a group of wooden buildings with oil soaked floors, became a serious menace to adjacent industrial plants and other property. The owners of the exposed plants were appealed to and with their co-operation and that of others interested, arrangements were perfected for the restoration of as much as possible of the fire protection of the abandoned plants.

As winter was approaching the sprinkler systems in all the buildings could not be left in service. The existing dry pipe system was filled with air and the dry pipe valves were set. Water pressure was admitted to the yard mains so that sprinkler protection would be available for the other buildings by opening the post indicator valve in event of fire. Conditions were explained in detail to the watchman and the city fire department.

One nearby plant provided a power line for the operation of the air compressor of the abandoned dry pipe system. Lanterns and oil were provided for heating the mill, in order to maintain pressure on dry valve enclosures. The watchman on duty during the daytime maintained the air pressure in the system and kept the lanterns filled. When spring came the dry pipe valves were stripped and the control valves in the other sprinkler systems were opened to provide protection for all buildings of the plant during the summer months. In the following winter, the system was again put in service.

By the spring of 1934, however, the settling of the roofs, leakage of old valves and the general depreciation of the building made it extremely difficult if not impractical to maintain fire protection. With no protection this abandoned property again became a serious conflagration menace.

City Steps In

The attention of city officials was called to the situation and at a meeting which was held, at least two local manufacturers expressed the opinion that their plants would not be re-built should they be seriously damaged by an exposing fire. The complete demolition of the plant appeared to be the only satisfactory plan to safeguard the operating industries and the community itself, against a severe hazard.

The city had no legal authority to condemn the building but it was pointed out that if an agreement could be arranged between the owners and the city, the removal of the building would be a suitable unemployment project and the city could use the building material. As a result of this meeting, the owners decided to demolish the building, thus saving an annual city tax of $33,000 and eliminating the necessity of constant watching service.

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OTTAWA, ONTARIO

Discuss Lloyd's License Request At Toronto Meet

Lloyd's application for license to operate in Ontario was discussed at a meeting held last Saturday at Queen's Park without a final decision being reached. The meeting adjourned and will be convened again on Nov. 17, The Financial Post understands. Among those present at the meeting were: Hon. Arthur W. Roebuck, representing the government; Arthur G. Slaght, K.C., for Lloyd's; W. R. P. Parker and J. C. McRuer, K.C., representing the Toronto Insurance Conference, which is opposing the application.

Altogether, it is understood that there were about 16 persons present, P. L. Lukis, of Lukis, Stewart & Co., Montreal, supporting Lloyd's application and a number of prominent Toronto insurance brokers opposing it.

Premier Hepburn was expected to appear at the meeting, it is understood, but did not do so.

Licenses Issued

Hardware Dealers Mutual Fire Insurance Co., Hardware Mutual Fire Insurance Co. of Minnesota, and Minnesota Implement Mutual Fire Insurance Co., have been granted certificates of registry authorizing them to transact, in Canada, inland transportation insurance in addition to the classes for which they are already registered.

Century Insurance Co., Ltd. and Anglo-Scottish Insurance Co. have been granted a certificate of registry authorizing them to transact, in Canada, earthquake insurance, falling aircraft insurance and riot and civil commotion insurance, limited to the insurance of the same property as is insured under a policy of fire insurance by the company, in addition to the classes for which they are already registered.

Regent Knitting Employees Take Group Insurance Plan

A large group insurance scheme, affecting the employees of Regent Knitting Mills, St. Jerome, P.Q., has recently been written by the Metropolitan Life. The plan, which includes a co-operative provision under which the cost is borne jointly by the employer and employees, involves $310,500 of life insurance.

Individual coverage includes life insurance ranging from $600 to $3,000, according to class.

New Great-West Life Managers

A. F. NATION H. A. H. BAKER C. F. DUNFEE

Recently appointed managers at Vancouver, Toronto No. 1 and Winnipeg branches respectively, of the Great-West Life. Mr. Nation was formerly manager at Ottawa, Mr. Baker at Winnipeg and Mr. Dunfee at Vancouver.

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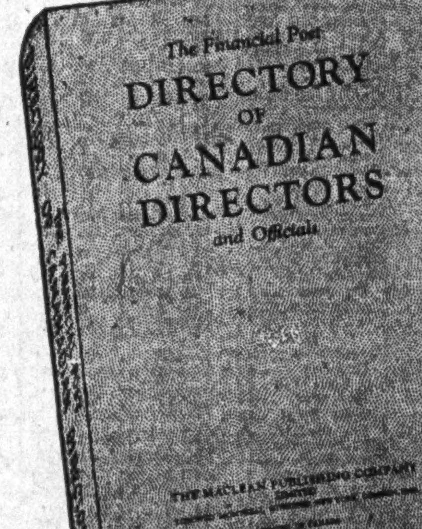

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Chartered Accountants and Auditors—to supply an independent record of other directorates held by directors of any company being audited.

Manufacturing Firms—this list is a cross section of the men of wealth in Canada—men who live in fine homes, drive expensive cars, travel and have the means to gratify their tastes. These men not only have a high standard of living but have huge purchasing power for the companies they direct.

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THE FINANCIAL POST has revised the DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS — a book containing about 6,000 names of Canadian directors and company officials. It is an invaluable reference and list for various types of businesses. This book gives leading men all the connections of other leaders whom they are meeting.

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CHRYSLER LINE MAY QUALIFY FOR DRAWBACK

Ottawa Thinks Other Makes May Join Ford and Chevrolet

BUICK MENTIONED

From Our Own Correspondent

OTTAWA.—With the change in the drawback regulations on automobile parts still the centre of acute controversy at Ottawa, it is learned the department of National Revenue has no intention of reverting to the former practice.

The change in the regulations brought enforcement of the tariff into conformity with the law. For several years the department had been ignoring the letter of the law. The Customs Tariff act says, as distinctly as language permits, that drawbacks on duty paid shall only be given where the finished article is 50 per cent Canadian wages and/or material.

But the department has been permitting automobile manufacturers to strike a balance on the entire output of their factories. One or two models might be very high in Canadian content and enable other models to qualify.

The new regulation declares that each model must be judged separately.

Dodge, Plymouth May Qualify

In the Post last week it was said that only two Canadian cars would now qualify for the drawback. These were named as Ford and Chevrolet. The statement was based on official views. Since then other manufacturers have claimed to be in a position to qualify.

The department concedes that Ford and Chevrolet will qualify on the 50 per cent test but, so far, is not prepared to extend this list, with the possible exceptions of the Plymouth and the Dodge. It is learned that departmental investigations are now under way to determine which cars are entitled to the drawback. Until the investigations are complete, there will be no official information available.

It is pointed out, however, that the Buick has qualified for some years for export to the United Kingdom under a 50 per cent Empire content clause. There is, therefore, reason to believe that this car will also qualify under a strict interpretation of the Canadian act. Other makes are said to be in the same position.

Manufacturers Ask Investigation

Meanwhile, Canadian automobile manufacturers, through the Canadian Automobile Chamber of Commerce, last week presented a memorandum to Hon. E. N. Rhodes and Hon. R. C. Matthews, asking that a commission be appointed to investigate the automobile industry in Canada. In this memorandum it is claimed that many changes in duties and amount of drawback have been made since the original act was passed and that the new ruling may result in increased importation of complete cars to the detriment of Canadian workmen and Canadian parts manufacturers.

In this plea, the automobile industry is supported by the Canadian parts manufacturers, the latter being represented in the deputation which waited on Messrs. Rhodes and Matthews.

Change Luxury Tax

There is another and even more important aspect to the change in the enforcement of the act. Under the Special War Revenue act a luxury tax was placed on such automobiles as cannot comply with the Canadian content provisions of the customs tariff. This tax was five per cent on cars up to $1,200 in value and 10 per cent on cars valued in excess of that figure.

In the past the excise officials have kept their method of enforcement in line with the customs regulations. For that reason the luxury taxes were imposed on the same basis as the drawback items were administered. Enforcement was on plants and not on individual cars.

But the luxury taxes will now be enforced on individual models and all those unable to qualify will have to pay.

Penetang Council Sees Default as Possibility

Town council of Penetanguishene, Ont., early this week, discussed freely the possibility that the town may be forced to default debenture maturities in December, unless the provincial government takes over relief.

Clerk W. H. Hewson expressed the opinion that the town hasn't defaulted and will be able to meet the maturities. "Penetang" has a population of over 4,000, and had debenture debt of $218,460 at the end of 1932.

The Western Savings & Loan Association
Winnipeg, Manitoba
Agencies:
Butler Byers Bros. Limited
Saskatoon, Sask.
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Regina, Sask.
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Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING NOVEMBER 12

Range 1934 High	Range 1934 Low	Divd. Rate Y'ld in $ to % Nov. 10		Sales	Close Nov. 7 (or last)	Week Ending —Nov. 12— High	Low	Close
[illegible]								

No sales recorded in 1934 to date. b New York Quotations.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

November 13, 1934

Public Utility Issues:	Int. Rate	Due	Bid Nov. 13	Asked	Bid Nov. 6
Beauharnois L. H. & Power	5½%	1973	100	101½	100
Beauharnois Power Corp.	6%	1959	71	...	71
Beauharnois Power Corp.	5%	1973	56½	58½	56½
Bell Telephone	5%	1955	108½	109½	108½
Bell Telephone	5%	1957	108½	110	109
B. C. Power	5%	1960	99½	101	99
B. C. Power	5½%	1960	104½	106	104
B. C. Telephone	5%	1960	103½	104½	102½
Calgary Power	5%	1960	97	99	97
Calgary Power	5%	1964	95½	97½	95
Canada Northern Power	5%	1953	96	98	96
Cedars Rapids Mfg. & Power	5%	1953	109½	111	109½
Dominion Gas & Electric	6½%	1945	62½	64½	61½
Duke-Price Power	6%	1966	94	96½	92
Gatineau Power	5%	1956	94½	96	93½
Gatineau Power	6% A	1941	91	92½	90½
Gatineau Power	6% B	1941	90	91½	89
International Hydro-Electric	6%	1944	47½	49½	47
Jamaica Public Service	5%	1950	99½	101½	99½
Maclaren-Quebec Power	5½%	1961	100½	102½	100
Manitoba Power	5½%	1951	55	57	54½
Montreal Island Power	5½%	1957	101½	103½	100½
Montreal L. H. & Power	5%	1951	106	107½	106½
Montreal L. H. & Power	5%	1970	106	107½	107
Montreal Public Service	5%	1942	104	...	104
Montreal Tramways	5%	1955	76½	78½	75½
Montreal Tramways	4½%	1955	69½	71½	68½
Montreal Tramways	5%	1941	98	99½	98
National Light & Power	6%	1949	83½	...	81½
N. B. Power	5%	1937	69	72	69
Northwestern Utilities	7%	1938	101	103	101
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light, Heat & Power	5%	1957	103½	105	103½
Ottawa Valley Power	5½%	1970	105	106	105
Power Corp.	4½%	1959	81½	83½	82½
Provincial Light & Power	5%	1946	104½	...	104
Quebec Power	5%	1968	100	102	101
Rio de Janeiro T. L. & Power	5%	1935	99½	100½	99½
Shawinigan Water & Power	6%	1937	102	103	102
Shawinigan Water & Power	4½%	1970	93½	95½	93½
Shawinigan Water & Power	5%	1970	101½	103	101
Southern Canada Power	5%	1955	102½	104	102½
United Securities	5½%	1952	68	71	67½
West Kootenay Power	5%	1956	105½	106½	105
Western Power Co.	5%	1949	104½	105½	104
Winnipeg Electric	5%	1935	95	97	95
Winnipeg Electric	6%	1954	53	55	52½
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	32	34	28
Abitibi Pwr. & Paper C.O.D.'s	5%	1953	29	31	24½
Acadia Sugar	6%	1946	103	104½	103
Alberta Pacific Grain	6%	1946	83	86	82
Algoma Steel	5%	1962	14½	16½	14½
American Sales Book	6%	1939	102½	...	102
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	95	...	95
Balfour Building	6%	1934	38½	...	38
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	48½	...	46
Booth Buildings	6½%	1937	99	...	99
Brandram-Henderson	6%	1936	93½	...	92½
British American Oil	5%	1945	104½	105½	104
British Columbia Pulp & Paper	6%	1950	70	...	65
Burns & Co.	5½%	1948	32	...	32
Canada Biscuit	6½%	1946	17½	19½	17
Canada Bread	6%	1941	100½	102	100
Canada Cement	5½%	1947	98½	100	97½
Canada Paper	6%	1945	92½	...	91
Canada Steamship	5%	1943	93	...	93
Canada Steamship	6%	1941	27½	29½	25½
Canadian Canners	6%	1950	105½	...	105
Canadian Consolidated Felt	6%	1940	...	...	96
Canadian Copper Refiners	6%	1945	105½	106½	105
Canadian Cottons	5%	1940	102	...	102
Canadian Goodrich	7%	1943	48	...	48
Canadian International Paper	6%	1949	65	68	62
C. P. R.	6%	1942	106	107½	106½
C. P. R.	4½%	1944	93½	94½	93½
C. P. R.	5%	1954	98½	99½	98
C. P. R.	4%	1949	92	93½	92½
Canadian Rail & H. Terminals	6½%	1951	23½	25½	22
Canadian Vickers	6%	1947	58½	60½	60
Consolidated Investment	4½%	1959	75½	...	75
Consolidated Paper	5½%	1961	17½	19½	13½
Cosmos Imperial Mills	6½%	1944	102½	...	102½
Debenture & Security	4%	1936	76	...	75½
Dominion Canners	5%	1940	107	...	107
Dominion Square Corp.	5%	1948	49½	52	49
Dominion Tar	6%	1949	91½	93½	90
Dominion Textile	6%	1949	107½	109	107½
Dominion Woollens (with stock)	6%	1948	25	30	28
Donnacona Paper	5½%	1948	34	37	31
Eastern Dairies	6%	1949	70	72½	69
Eaton T. Realty	5%	1949	100½	102	100½
Famous Players	6%	1948	97½	99	97½
Famous Players	6½%	1948	83½	86½	83½
Federal Grain	6%	1949	88½	90½	87
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	37	40	37½
Galt Brass	7½%	1941	38	...	38
General Brock Hotel	6%	1948	33½	...	32½
General Steel Wares	6%	1952	84½	87	83½
Godfrey Realty	6%	1942	43	...	42
Great Lakes Paper	6%	1950	30	32	28
Gypsum, Lime & Alabastine	5½%	1948	78½	80½	76
Hamilton Cottons	5½%	1948	93½	...	93
Hamilton By-Products Coke	7%	1943	100½	103	100
Hinde & Dauch	5½%	1948	93½	...	93
International P. & P. Nfld.	5%	1968	94½	97½	94½
Inter City Baking	5½%	1948	89½	...	87½
London Can. Invest.	4½%	1948	75	78	74½
London Realty	6%	1950	82	85	81
Maple Leaf Milling	5½%	1949	45½	...	42½
Massey-Harris	5%	1947	70½	72	70
McColl Frontenac	6%	1949	104	105½	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	60	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	17	19	13½
Montreal Coke	5½%	1947	102½	104	102
Montreal Cottons	5%	1947	97	...	97
Montreal Dry Docks	6%	1948	48	...	47½
Northern Electric	5%	1939	104	...	104
Northern Ontario Building	6½%	1939	97½	100	97½
Ontario Building	6½%	1943	38½	...	37
Penmans	5½%	1951	108	...	107½
Price Bros. (Co'D.)	6%	1943	82½	...	82
Provincial Paper	5½%	1947	99½	101½	99
Queen's Hotel	6%	1947	72	...	72
Reliance Grain	6%	1948	90	...	90
Restigouche Co.	5½%	1948	78½	80½	75
Richmond Bay Building	6½%	1947	90	...	89
Riordon Pulp & Paper	6%	1942	103½	...	103½
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	98½	100½	93½
Ruddy & Co., E. L.	6½%	1948	74	...	72
St. Lawrence Flour	6%	1941	102	...	102
Simpsons Ltd.	6%	1949	100½	101½	100
Smith, Howard	5½%	1953	97½	99	97
Steel Co. of Canada	6%	1940	108½	...	108½
Stop & Shop	6%	1947	89	...	89
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	93	...	92½
United Corpns.	5%	1953	77	...	76½
United Gas & Fuel	5½%	1948	89½	91½	89
United Grain Growers	5%	1948	88	...	87½
Wabasso Cotton	6%	1947	99½	...	99½
Wabasso Cotton	7%	1942	100	...	100
Woods Mfg.	6%	1943	89	...	88½

Dividends Declared

	Present Annual rate	Amt. this paym't	Date payable	Date of record
Anglo-Huronian	...	•40c	Dec. 1	Nov. 22
Andian National	$2	$1	Dec. 1	Nov. 15
Belding-Corticelli, pref.	7%	1¾%	Dec. 15	Nov. 30
Bulolo Gold Dredging	...	*90c	Dec. 29	Dec. 3
Bright, T. G.	30c	7½c	Dec. 15	Nov. 30
Do., pref.	6%	1½%	Dec. 15	Nov. 30
Borden Co. c.	$1.60	40c	Dec. 1	Nov. 15
Bank Can. Nationale	$8	$2	Dec. 1	Nov. 15
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	$10	$2.50	Dec. 1	Nov. 15
Bralorne Mines, extra	...	20c	Dec. 17	Nov. 30
Canadian Oil, pfd.	$8	$2	Jan. 1	Dec. 20
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Can. Cottons	$4	$1	Jan. 2	Dec. 14
Do., pref.	$6	$1.50	Jan. 2	Dec. 14
Consolidated Bakeries	...	20c	Jan. 2	Dec. 15
Can. Foreign Inv., pref.	$8	$2	Jan. 1	Dec. 15
Can. Hydro-Elec., pref.	$6	$1.50	Dec. 1	Nov. 1
Can. Celanese, pref.	$7	$1.75	Dec. 31	Dec. 14
Canada Malting	$1.50	37½c	Dec. 15	Nov. 30
Hollinger Cons. Gold	65c	5c	Dec. 3	Nov. 16
Do., extra	...	5c	Dec. 3	Nov. 16
Howey Gold	...	4c	Dec. 1	Oct. 31
Imperial Oil	50c	25c+15c	Dec. 1	Nov. 15
International Nickel, c.	...	15c	Dec. 31	Dec. 1
International Petroleum	$1.12	56c+44c	Dec. 1	Nov. 15
Do., pref	$1.12	56c+44c	Dec. 1	Nov. 15
International Milling, pref.	7%	1¾%	Dec. 1	Nov. 20
Do., A pref.	6%	1½%	Dec. 1	Nov. 20
Kerr Lake Mines	...	10c	Nov. 27	Nov. 17
Kirkland Lake Gold	...	•3c	Dec. 1	Nov. 1
Loblaw Groceterias, A & B	$1	25c	Dec. 1	Nov. 14
Laura Secord	$3	75c	Dec. 1	Nov. 15
McIntyre-Porcupine Mines	$2	50c	Dec. 1	Nov. 1
McColl-Frontenac, c.	80c	20c	Dec. 15	Nov. 15
McKinley Mines Secs.	...	•2½c	Dec. 1	Nov. 15
National Biscuit, pfd.	$7	$1.75	Nov. 30	Nov. 14
Noranda Mines	...	‡$1	Dec. 20	Dec. 5
N. S. Light & Power, pfd.	$6	$1.50	Dec. 1	Nov. 15
Ogilvie Flour Mills, pref.	$7	$1.75	Dec. 1	Nov. 21
Pioneer Gold (B.C.)	80c	20c	Jan. 2	Dec. 1
Provincial Bank	$6	$1.50	Dec. 1	Nov. 15
Reno Gold	...	•3c	Jan. 3	Nov. 30
Royal Bank	$8	$2	Dec. 1	Oct. 31
Royalite Oil	..	75c	Nov. 23	Nov. 9
Rolland Paper, pref.	$6	$1.50	Dec. 1	Nov. 15
Sylvanite Gold	20c	5c	Dec. 31	Nov. 20
South Amer. Gold & Plat.	..	10c	Dec. 31	Dec. 21
Toburn Gold Mines	8c	2c	Nov. 22	Oct. 26

* For the year ending May 31, 1935.
•Initial.
‡Interim.

Listed Bond Quotations

Week Ending November 12, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
McNish	6	1948	...	3.20	3.20	..	4.25	2.75
Mtl. L.H. & P. debs.	3	1939	3.73	47½	47½	47	47½	43
Mtl. Trams, A	5	1955	7.18	76	76½	..	84½	75
Refund. Loan	3	1942	...	98¾	98½	..	98½	..

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

November 13, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.75	3.00
Acadia Sugar pfd.	4.75	5.00
Allens London pfd. bonus com.	38.50	....
Allens St. Cath. pfd. bonus com.	38.50	....
Allens Toronto pfd. bonus com.	20.50	....
Andian Nat. (Can. Funds)	38.50	40.00
Atlant. Sugar pfd.	92.00	93.00
B. C. Pulp pfd.	12.00	14.00
Burns & Co. B	1.50	2.00
Can. Dom. Sugar	49.25	50.25
Can. Mach. com.	1.25	2.00
Can. Packers com.	43.00	44.00
Can. Packers pfd.	107.50	110.50
Can. Starch com.	12.50	....
Can. Starch pfd.	87.00	....
Canada Tea pfd.	45.50	55.00
Can. Wire & Cable pfd. WW	58.75	59.50
Can. Indust. A	179.00	....
Can. Indust. B	178.00	181.00
Can. Indust. pfd.	142.00	143.00
Can. Westing.	42.00	43.50
Chase pfd. bon. c.	24.00	26.00
Dom. F. & St. com.	7.25	8.00
Dom. F. & St. pfd.	69.00	72.00
Dom. Manuf. pfd.	71.50	....
Dom. Woollens c.	.35	.90
Dunlop Tire pfd.	67.50	71.00
Federal Grain c.	1.25	2.25
Federal Grain p.	26.50	29.00
For. Power Sec. p.	4.00	7.00
Gen. St. Wares p.	27.50	28.25
Goderich Elev.	6.25	7.00
Greening Wire pf.	72.50	75.00
Guardian Rlty pfd.	11.00	....
Guelph Carpet pf.	90.00	91.00
Guelph Carpet c.	12.75	13.50
Harding Carpets c.	1.50	3.00
Hayes Wheels pf.	....	8.50
Highland Dairy c.	3.65	4.25
Highland Dairy p.	68.00	71.00
Inter City Bak. c.	17.25	18.25
Inter. Paints pfd.	14.50	15.50
Loew's London p.	3.75	4.15
Maclaren Pwr. c.	16.00	17.00
Mans. Theat. pfd.	27.00	29.00
Massey-Harris pf.	17.25	17.75
Mercury Mills pfd.	8.00	9.25
Morrow Screw pf.	90.00	....
Mt. Royal Hotel p.	1.25	1.75
Nat. Grocers com.	4.95	5.10
Nat. Grocers pfd.	116.50	118.00
New Meth. Laund. pfd.	49.50	....
Niag. W. Weav. p.	36.25	....
Para. Kitchener p.	39.00	....
Para. Oshawa p.	48.00	52.00
Perfection Pet. pf.	15.00	16.00
Prov. Paper pfd.	89.00	90.50
Rel. Grain pfd.	59.00	63.00
Rob. Cons. Cone	8.00	9.00
Rolland Paper c.	9.25	10.00
Roll. Paper p. WW	78.00	80.50
Ruddy pfd.	11.50	....
St. Fuel pfd. bon.	98.00	....
Supert. Pet. B	24.00	25.50
Thayers com.	6.00	6.35
Thayers pfd.	38.25	39.50
United Grain	10.85	....
West. Gr. p. bon.	6.65	8.00
Wood, A. & J. pfd.	24.00	25.50

Insurance Stocks:	Bid	Asked
British America	32.50	....
Canada Life	445.00	....
Can. Fire	62.00	....
Conf. Life 20% pd.	122.00	125.00
Cont. Life 20% pd.	38.50	40.00
Crown Life	104.00%	....
Dom. Fire	99.00	....
Dom. Life 50% pd.	186.00	....
Dom. Car Gen.	101.00	105.00
Emp. Life 25% pd.	9.00	9.75
Excel. Life 30% pd.	70.00	....
Fed. Fire 25% pd.	34.00	36.00
Gt. West Life	390.00	405.00
Guar. of N. A. fully pd.	221.00	....
Guar. of N. A. 20% pd.	40.00	....
Imperial Life	290.00	....
Manuf. Life	238.00	243.00
Mon. Life 10% pd.	18.00	19.50
Nat. Life 25% pd.	57.00	59.50
Sov. Life 25% pd.	12.00	15.00
Sun Life	338.00	350.00
West. Assur. com.	30.50	32.00
West. Assur. pfd.	34.00	....
West. Empire Life	11.00	15.00
West. Life 20% pd.	9.00	12.00
Bank, Trust & Loan Stocks:		
Bank of Canada	56.00	56.50
London West. Tr.	27.50	....
Premier Trust	86.50	90.00
Sec. Loan & Sav.	99.50	102.00
Traders Fin. B	46.50	50.50
Trusts & Guar.	34.00	37.00
Victoria Trust	121.00	125.00
Waterloo Trust	79.50	83.00
Investment Trust Shares:		
Can. Gen. Invest.	5.90	6.10
Can. Investors	4.25	5.15
Can. Int. Inv. Tr. Units	19.50	21.50
Can. Invest. Fund	3.20	3.40
Cons. Div. Std. Sec. Units	11.00	11.75
Deb. & Sec. pfd.	22.00	....
Dom. Anglo Inv. Units	172.50	....
Inv. Found. Units	40.00	....
Dom. Scott. Inv. Units	21.50	22.25
Sec. Holding Units	10.00	11.50
United Corpns. A	11.75	12.25
United Corpns B	3.50	3.75
Power Issues:		
Calgary Power pf.	90.00	90.75
Can. L. & P. com.	20.25	21.50
Can. W. N. G. LH&P pfd.	92.00	92.75
Gr. Lakes Pwr. p.	41.00	45.00
Marit. T. & T. pfd.	12.65	13.50
N. B. Tel. com.	9.65	10.60
N. S. L&P com.	40.50	44.00
N. S. L&P pfd.	89.00	91.50

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	2s. 9d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s. 6d.
Can. Collier, $1 com.	3d.
Do., pref. $10	3d.
Can. N. W. Land	25s.
Can. West. Lumber	1s. 7½d.
Hudsons's Bay	25s.
Do., pref.	102s. 6d.
Imp. Tob. (Can.) 6% pfd.	27s. 6d.
Trust & Loan (15s. pd.)	3d.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto

November 14, 1934

Dominion of Canada Bonds

	Rate	Maturity	Bid	Asked	Approx. Yield
Dominion	2	15 Oct., 1936	98.85	99.20	2.42
Dominion	2½	15 Oct., 1939	99.15	.....	...
Dominion	3	15 Oct., 1942	99.15	.....	...
Dominion	3½	15 Oct., 1935	100.75	101.25	2.10
Dominion	3½	15 Oct., 1944-49	98.10	98.40	3.64
Dominion	4	15 Oct., 1935	101.25	101.75	2.06
Dominion	4	15 Oct., 1939	104.35	104.90	2.92
§Dominion	4	15 Oct., 1943-45	103.60	104.00	3.47
§Dominion	4	15 Oct., 1947-52	103.00	103.35	3.67
Dominion	4½	1 Sept., 1940	107.15	107.50	3.08
Dominion	4½	15 Oct., 1944	107.15	107.50	3.59
Dominion	4½	1 Feb., 1946	107.00	107.35	3.71
§Dominion	4½	1 Nov., 1946-56	106.50	106.85	3.78
§Dominion	4½	1 Nov., 1947-57	106.50	106.85	3.82
§Dominion	4½	1 Nov., 1948-58	107.00	107.25	3.83
§Dominion	4½	1 Nov., 1949-59	107.10	107.40	3.84
Dominion	5	15 Nov., 1936	104.60	105.00	2.42
*†Dominion	5	1 Mar., 1937	106.15	106.50	2.12
Dominion	5	15 Nov., 1941	109.35	109.65	3.44
Dominion	5	15 Oct., 1943	110.35	110.65	3.59
†Dominion	5½	1 Dec., 1937	108.90	109.25	3.36
Dominion Guaranteed Bonds					
xGrand Tr. P.	3	1 Jan., 1962	94.75	95.75	3.23
xCan. Nat. Ry.	4½	1 Sept., 1951	109.25	109.75	3.72
*Can. Nat. Ry.	4½	15 Sept., 1954	103.50	104.00	4.21
xCan. Nat. Ry.	4½	1 Feb., 1956	109.75	110.25	3.78
*Can. Nat. Ry.	4½	1 July, 1957	108.00	108.50	3.93
xCan. Nat. Ry.	4½	1 Dec., 1968	105.25	106.00	4.17
xCan. Nat. Ry.	4¾	15 June, 1955	112.75	113.25	3.82
Can. Nat. Ry.	5	1 Feb., 1954	113.00	113.50	3.99
§xCan. Nat. Ry.	5	1 July, 1969	112.75	113.25	3.82
§xCan. Nat. Ry.	5	1 Oct., 1969	114.75	115.25	3.90
§xMontreal Harbor Cm.	5	1 Nov., 1969	114.50	115.25	3.90
Provincial Government Bonds					
Eastern—					
*N. Brunswick	4½	15 Apr., 1961	104.00	104.75	4.20
*N. Brunswick	5	15 Jan., 1960	110.25	111.00	4.28
N. Brunswick	5½	15 May, 1950	112.75	113.50	4.30
N. Scotia	4½	15 May, 1943	104.00	105.00	3.80
*§N. Scotia	4½	15 Sept., 1947-52	105.50	106.25	3.89
N. Scotia	4½	15 May 1961	106.75	107.50	4.04
*N. Scotia	5	1 Mar., 1960	112.50	113.25	4.15
xOntario	4	1 June, 1962	102.25	103.00	3.81
xOntario	4½	1 Sept., 1944	107.50	108.50	3.47
Ontario	4½	1 June, 1950	106.25	107.00	3.91
xOntario	4½	15 Jan., 1962	108.50	109.50	3.93
Ontario	5	15 Oct., 1948	111.00	111.75	3.90
xOntario	5	2 Dec., 1960	116.00	116.75	3.97
Ontario	5½	1 July, 1946	113.75	114.50	3.97
§Ont. H. C.	3½-4-5	1 Oct., 1952	98.75	99.50	3.86
xOnt. H. C.	4	1 Aug., 1957	101.75	102.50	3.83
Ont. H. C.	4¾	1 Jan., 1970	110.50	111.50	4.13
Quebec	4	15 Mar., 1952	102.25	102.75	3.78
Quebec	4¼	1 Aug., 1958	105.75	106.50	3.83
Quebec	4½	2 Jan., 1963	109.50	110.25	3.89
Western—					
*Alberta	4	1 Dec., 1957	90.00	92.00	4.56
*Alberta	4½	1 Oct., 1956	95.00	96.50	4.76
*Alberta	5	1 Jan., 1948	100.00	102.00	4.80
Alberta	5	1 Sept., 1955	100.00	102.00	4.85
xAlberta	5	1 Oct., 1959	103.00	104.50	4.69
*Alberta	5½	1 Jan., 1947	102.50	104.00	5.06
Alberta	6	1 Mar., 1947	105.75	107.00	5.23
*British Col.	4	1 Dec., 1957	88.00	89.50	4.75
xBritish Col.	4½	15 Jan., 1951	97.75	99.00	4.59
*British Col.	4½	1 Oct., 1953	93.25	94.25	4.97
*British Col.	5	15 Jan., 1948	97.00	98.50	5.15
British Col.	5	1 Sept., 1953	96.75	98.00	5.17
British Col.	5½	1 Feb., 1945	100.50	102.00	5.25
British Col.	6	15 Feb., 1947	103.00	104.50	5.50
*Manitoba	4	1 Dec., 1957	90.50	92.50	4.53
*Manitoba	4½	15 Dec., 1956	95.50	97.00	4.72
*Manitoba	5	15 June, 1954	101.00	102.50	4.80
xManitoba	5	2 Dec., 1959	104.50	106.50	4.57
Manitoba	5½	1 Oct., 1955	104.00	105.50	5.07
Manitoba	6	1 Apr., 1947	106.00	107.50	5.18
Sask.	4	15 Aug., 1953	84.00	85.50	5.21
xSask.	4½	2 July 1945	95.50	97.50	4.80
*Sask.	4½	1 Oct., 1951	90.50	92.00	5.22
Sask.	5	1 Aug., 1958	94.50	95.50	5.33
*Sask.	5½	15 Nov., 1946	99.50	101.00	5.38
Sask.	6	15 Mar., 1952	103.50	105.00	5.55
Saskatchewan Guaranteed					
xGrand Tr. P.	4	22 Jan., 1939	96.00	97.50	4.65
Municipal Bonds					
*Calgary	5½	2 June, 1944	80	90	6.95
*Edmonton	5½	1 Nov., 1945	90	94	6.26
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	109½	111	4.04
Montreal	5	1 Mar., 1945	101	102½	4.70
Ottawa	4½	1 July, 1945	103	105	3.92
*Quebec	5	1 June, 1959	101	103½	4.75
Regina	5	1 July, 1944	75	85	7.12
St. John	5	15 Dec., 1950	105½	108	4.32
*Toronto	4½	1 Jan., 1955	105½	107½	3.97
Victoria	5	21 July, 1945	90	95	5.62
Winnipeg	5	1 Mar., 1944	97	99	5.12

† Tax exempt issues. * Payable in Canada and New York.
§ Yield at call price.
x Payable in Canada, New York and London.
‡ Payable in London. * Payable in Canada and London.

Winnipeg Stock Exchange

(Transactions from Oct. 31 to Nov. 10)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Nov. 10
..	..	Beaver Lumber, pfd.	10	65.00	65.00	65.00
1	..	Crescent Creamery, pfd.	15	22.00	21.00	22.00
..	..	Forty-four	50	13.10	13.10	13.10
..	..	Gold Lake	7,450	.55	.50	.50
..	..	Gabrielle	1,150	.66	.60	.63½
..	..	Island Lake	5,500	.07	.05½	.05½
..	..	Long Lac Adair	600	.07	.06	.07
..	..	McL. Cockshutt	700	.31½	.30½	.31½
..	..	Normandy	2	5.00	5.00	5.00
..	..	Northern Mortgage	117	4.00	4.00	4.00
..	..	Ore Grande	5,500	.09	.08½	.08½
..	..	Oxford Lake	175	2.75	2.50	2.75
..	..	Rice Lake Units	40	8.25	7.00	7.00
..	..	Rice Lake Shs.	200	.09	.09	.09
..	..	Scotia	10,600	.05	.05	.05
..	..	Vanson Manitoba	2,800	.30	.28	.28
1	..	United Grain Gr.	13	11.75	10.75	11.00
..	..	Wingold	800	.30	.27	.28
..	..	Western Breweries	400	1.90	1.75	1.75
..	..	Wylie Dominion	500	.20	.20	.20

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, com.	.25	..
Beaver Lumber, c.	3	3½	Pelissiers, pref.	..	23
Canadian Fire	57	..	Sov. Life, 25% pd.	..	14
Great West Life	370	..	Traders' Bldg.	60	..
Home Investment	..	25	Can. Amer. Tr. sh.	2.45	2.70
Monarch Life 10% pd.	18	..	Can. Inv. Fund	..	3.40
Northern Trust	..	15	Fundament. Ser. A	3.85	4.40
			Fundament. Ser. B	3.50	..
			Grouped Inc. shs.	..	4.05

SHIPMENT CONTROL DOMINION APPLES BEING WORKED OUT

Each Dominion and Britain to Have Period Allotted

IN BRITISH MARKET

Dominion Apple Board Experimenting With Methods of Shipment to Find Best —S. Africa as Exporter

From Our Own Correspondent

OTTAWA.—Through the agency of a national export marketing board, coupled with co-operative efforts in Great Britain and the other Dominions, there has been achieved in the past three months a substantial measure of co-ordination in the apple growing industry of the British Empire. Not only is even more substantial measures of Empire co-ordination likely in the marketing of apples but this success almost certainly will enable important research work on methods of packing and shipping to be carried out. And, of secondary importance, it has already brought profits to one division of the lumber industry.—fruit box manufacturing—which is now finding that Empire conferences have given it Empire markets.

Last June an Empire conference was held at London to discuss the orderly marketing of apples. Canada as well as the other Dominions were represented and the problems confronting all sections of the Empire were discussed.

Agree On Programme

Close study was given to problems of transportation and as a result a complete programme of experimentation was agreed upon and is now being carried out. This autumn the Canadian growers, through the new marketing board is making some 50 tests, apples being shipped in 50 different ways. In addition to being shipped fresh off the tree; after having been chilled; after having been left in the orchards over night; they are being shipped under many temperatures.

The objective is to discover the method of shipping which will enable growers in the Dominions to lay down apples in the British market in the best condition. Shipments only began a few weeks ago, so far as Canada is concerned, but already important discoveries are indicated and it is regarded as probable that notable advances in the technique of handling apples for export will be made.

Marketing Problem

The chief problem confronting the Empire conference was one of orderly marketing in the United Kingdom, which is the one very large market available. The delegates sought agreement on a plan whereby the Dominions would not overload the British market at the very time when the growers of the United Kingdom must sell their crop. Likewise, the various Dominions sought to avoid injuring each other in competing for the British market during the season when British apples are no longer a factor in the trade. It is planned that New Zealand and Australia will endeavor to clean up their stocks by the end of July at the latest. The British apples come on the market the first week of August and growers will try to clean up their stocks by September 15. Then Canada's turn comes and hitherto this Dominion has had a fairly clear field until the following April. But this condition is unlikely to be maintained as South Africa is rapidly developing an apple industry and the South African apples will reach the British market about January.

In the past, due to the pressure of the various Dominions the British market has been glutted frequently during each year and great ill-will has been caused thereby.

The Canadian apple export marketing board, created last August, has already taken steps which will greatly improve the position of the British growers. The board at the outset compelled all exporters to take out a license, and a permit to export is also essential. The board has prohibited low-grade apples from entering the British market prior to October 15, thus practically giving the British growers an extension of from three to four weeks in their selling season.

Export of Boxes

Another most promising result of the 1934 conference and of those which preceded it, is the rapid growth of a movement to standardize the marketing of Empire apples. All parts of the Empire, for example, have adopted the Canadian apple box, used in this country for many years. In fact, Canadian box manufacturers are now doing a very large export trade in "shooks" which is the technical term used by the trade statisticians for apple boxes, and the trade is growing rapidly. The banner year for exports of shooks was in 1930 when the value was $690,570. This year a new high will be recorded. The shooks are going to the United Kingdom, Australia, New Zealand, South Africa, Bermuda, Barbadoes and Palestine.

It is conceded by government authorities at Ottawa that there is still great opportunity for improvement. Careful study is now being given to the standardization of nomenclature. It is proposed to grade all Empire apples numerically, one, two, three. This, it is believed, will be of advantage in selling on a quality basis in the British market.

Dominion Stores Sales Down Slightly in October

Dominion Stores total sales for October showed a small decline over the same period in 1933. For the four weeks ended Nov. 3, 1934, sales amounted to $1,429,819 as against $1,500,287 for the corresponding month in 1933.

For the first 44 weeks of the current year total sales were $16,104,202 as compared with $16,592,643.

Dosco Secures Order for South African Rails

From Our Own Correspondent

MONTREAL. — Announcement is made by Sir Newton Moore, president of Dominion Steel and Coal Co. of the receipt of an order for 8,000 tons of rails for South Africa. This additional business comes on the heels of other large orders placed in Nova Scotia and will mean continued employment for a large number of men in the steel plant at Sydney.

Canadian Celanese Offers Plan on Preferred Arrears

Propose Issuing Income Funding Rights, Redeemable at $25, and Paying Maximum Interest of $1 — Plan Calls for 90,000 Rights, or One Per Share of Preferred

From Our Own Correspondent

MONTREAL.—Canadian Celanese has officially submitted a plan to its preferred shareholders for the wiping out of arrears of dividends on the preferred stock, such arrears amounting to $24 a share and involving a total amount of $2,160,000 on the 90,000 shares outstanding.

The plan put forward by the company proposes to capitalize these dividend arrears through the creation of 90,000 Income Funding Rights of no par value, but with a redemption value in the case of liquidation of $25 a right. The company obligates itself to set aside from earnings an annual amount of $122,400, which will cover interest up to $1 a right, with the balance available for redemption of the rights.

These rights will be distributed on the basis of one right for each share of preferred stock held.

Provisions of Plan

The plan makes the following provisions:

The first charge on the net profits if earned will be the appropriation of $122,400 for interest on the Income Funding Rights, amounting to a maximum of $90,000, and the balance for redemption purposes;

The second charge on net earnings is the cumulative dividend of 7 per cent on the preferred shares. The preferred also share in surplus profits to the extent of 10 per cent after making provision for the above charges and after providing for any loss carried forward from any previous year or years.

Before any dividends can be paid on the common stock the company must first set aside out of earnings, subsequent to December 31, 1934, $367,200 in cash or investments legal for trustees under the Quebec laws to be used for payment of interest on the rights during a period of three years. These years need not necessarily be consecutive. The plan does not indicate whether or not the company will have to maintain this fund during the period that rights are outstanding. It would appear that this fund will have to be set up in the first instance, but after that the obligation ceases.

Preferred Has Seniority

While the Income Funding Rights have priority in respect to interest, such does not apply in the event of liquidation, dissolution or winding-up of the company. In the event of either one of these things happening, the preferred stock becomes the senior obligation.

The plan says that after provision has been made for the preferred stock at par together with cumulative dividends, the rights are entitled to $25 each.

Then the preferred holders are entitled to all accrued and unpaid participating dividends.

After such payment the common shareholders are entitled to the aggregate par value of the preferred stock.

After this payment the preferred shareholders became entitled to 10 per cent of the balance and the remainder is distributed rateably among the common shareholders.

U.S. GOVERNMENT IN LOAN BUSINESS ON LARGE SCALE

Farmers, Home-owners Dip Deep Into Federal Pocket

From Our Own Correspondent

WASHINGTON — The enormous scale on which the United States Government has gone into the loaning business is exhibited in the Home Owners' Loan Corporation report. Up to October 26, that government agency had loaned a total of $1,828,083,114 to 608,109 home owners in all parts of the country, giving them 15-year loans by exchanging three per cent government guaranteed bonds for the mortgages of those in arrears and about to lose their homes.

This amount is nearly twice the estimated volume of urban home mortgages held in 1932 by all U. S. life insurance companies combined; it is more than a third of the amount of all urban home loans held by banks, and one-fourth of the total held by building and loan associations in 1932.

Modernization Scheme

In the same way, the new home modernization and repair scheme aimed to give the building industry a shot in the arm, is growing by leaps and bounds. In the first fourteen weeks of its operation up to November 4, a total of $13,000,000 of such loans had been made through private agencies whose advances are guaranteed up to 80 per cent by the government providing a basic minimum rate of five per cent is fixed. Of 4,509 loans made up to November 4, the average was $456.

Farm Credit Picture

The Oct. 20 report of the Farm Credit Administration showed that from June 1, 1933, to October 10, 1934, more than $1,217,000,000 of farmers' debts had been refinanced under the programme of the F.C.A., borrowers using 89.6 cents out of every dollar of federal land bank and land bank commissioners' farm mortgage loans to repay old creditors threatening foreclosure. Of this 89.6 cents, 26.3 cents of each dollar loaned refinanced farmers' debts to commercial banks; 12.3 cents to insurance companies' debts; 7.1 cents to joint stock land banks; three cents to taxes and 40.9 cents to unclassified creditors.

Loans to Farmers

In 15 months to September 1, 1934, more than 1,057,000 direct loans were made to farmers under the agricultural credit recovery programme including the long-term federal land bank loans made on first mortgage security and the first mortgage loans of the land bank commissioner. The land bank commissioner also lends on second mortgage security up to 75 per cent of the appraised normal value of farm property, including all prior indebtedness not secured by other assets.

The greatest number of the loans were advanced by the newly organized farmers' production credit association. In some instances, a short-term production loan and a long-term real estate mortgage loan have been made to the same farmer, and in the drought area, some times two short-term loans have been made to the same borrower. Emergency crop and feed loans advanced from federal appropriated funds are made to borrowers who have no other source of credit.

In the first two weeks of September, these production credit associations made 3,050 loans for a total of $2,956,000 compared with 2,660 loans for $2,726,000 during the preceding 15-day period. These short-term loans are made to livestock operators, cattle feeders, dairymen and other farmers for general agricultural purposes.

Whittall Can Place Value on Common Stock

From Our Own Correspondent

MONTREAL—Supplementary letters patent have been issued by the Secretary of State approving a change in the value of Whittal Can Co. common stock from no par to $1 a share. According to the last return made by the company, 130,000 shares will be affected by this ruling, which is understood to have been brought about by changes in the income tax regulations.

NATIONAL GROCERS CONTINUES GAINS IN CURRENT YEAR

Sales and Earnings Reported Higher — Arrears Policy Unchanged

Improvement in earnings of National Grocers for the last fiscal year which ended June 30 has been continued on a growing scale into the current year, The Financial Post is informed. Distinctly better progress is attributed to a general increase in purchasing power throughout all sections of Ontario where the company operates. The system of filling "relief" orders, which was rather a thorn in the flesh of the average grocery company a year ago, it is understood, has also improved, with more prompt settlement by many of the municipalities for such orders.

Best Year in Seven

In the last fiscal year National Grocers reported a net profit of $389,628 as compared with $308,628 for the fiscal year ended June 30, 1933. This was the best year in the last seven for the company and exceeded the profit in 1929, the previous peak, by an even $7,000. Dividends on the preferred in 1934 amounted to $230,744, which included 86 cents per share paid Jan. 1, 1934, on a block of the shares issued earlier than the rest in order to put the total issue outstanding on the same basis in regard to arrears. At present, arrears in dividends on the preferred stock amount to $38.50 per share.

While some of the arrears, as well as the regular 7 per cent in dividends were paid by the company last year, there is no confirmation that a large portion of these arrears will be cleared off in the current year. The company, it is understood, simply took advantage of the increased earnings in 1934 to put the arrears on all stock on the same basis. With a continuance of present earnings, however, there is a general expectation that these arrears will be gradually paid rather than any new issue of stock made in compensation.

Preferred in Control

Holders of the preferred, so long as the stock is in arrears four quarterly dividends, are entitled to elect a majority of the board of directors. While the common stock, of which there are 295,852 shares outstanding, earned 54 cents per share last year, without considering arrears of preferred dividends, there is no intention on the company's part, it is believed, to allow this stock to participate in profits until full arrears on preferred are cleaned up.

DIRECTORY LISTS 7,000 EXECUTIVES CANADIAN FIRMS

Financial Post Directory of Directors Enlarged in 3rd Edition

Third edition of The Financial Post Directory of Canadian Directors and Officials, just off the press, lists nearly 7,000 names of leaders in Canada's business life. The 382-page book is virtually a "who's who" in Canadian industry and finance.

The book has been enlarged to include directorates of more private companies as well as the public companies in which the investing public holds securities.

Broad Coverage

In addition to officials of financial concerns, the book contains names of directors and officers of manufacturing, merchandising and publishing firms, newspapers, and many more mining companies than formerly. It also includes officials of the various Canadian stock exchanges, the Winnipeg Grain Exchange, and the Canadian Bankers' Association. The Canadian Railway Commissioners, the grain commissioners, the federal cabinet and provincial liquor commissions are also covered in the volume.

Verification forms were sent to all those whose names are included in the book. Significant of the co-operation of business executives in Canada in compiling the record, few of the names are marked with the asterisk which denotes that the verification was not checked by the individual. Price $10.

HOLDING CONCERNS GETTING BENEFIT OF HIGH EARNINGS

Anglo-Huronian, McKinley Mines, and Kerr Lake Declare Dividends

Two mining investment firms recently announced the declaration of their initial dividend and a third has declared its first dividend since October, 1927. Dividends announced by Anglo-Huronian Ltd., McKinley Mines securities and Kerr Lake Mines will mean disbursements to the shareholders of those companies of approximately $590,000.

All of these companies are outgrowths of former producing mines which have continued to take an active part in the mining industry by acting as holding and investment concerns. The declaration of dividends by them at this time reflects the improvement in earnings which they experienced during the past year. The annual report of each of these companies for their last fiscal year showed considerable increase in earnings and while this is partly due to increased dividends on mining shares held, the principal factor in the improvement in earnings has been the rise in the market price of mining securities. Trading profits have been large.

Shares of mining investment companies have during the past year increased in popularity, and several new companies have been formed to operate in this field. One striking example is the United Gold Equities of Canada, which, although only organized last year, has paid dividends in the current year to the extent of 15 cents per share.

Anglo-Huronian

Directors of Anglo-Huronian Ltd. have announced a dividend of 40 cents per share payable Dec. 1, 1934, to shareholders of record Nov. 22. This will involve a distribution to shareholders of just over $500,000. In making the announcement A Dorfman, vice-president and managing director, stated that the company is not going on a regular dividend basis, but that a disbursement will be made once a year as earned.

Anglo-Huronian was formed in July, 1933, as a consolidation of the Huronian group of companies including the Huronian Mining & Finance Co., Vipond Consolidated Mines and Keeley Silver Mines. In addition to operating the Vipond mine the company operates as a holding and investment company and is active in financing Canadian gold mining properties in their preliminary stages. During its first year of operation the company's trading profits were in excess of a million dollars.

McKinley Mines Securities

McKinley Mines Securities has announced the declaration of an initial dividend of 2½ cents per share payable Dec. 1 to shareholders of record Nov. 15. Shareholders were informed at the annual meeting that another payment of a similar amount may be made next June.

McKinley Mines Securities was formed in 1928 to take over the assets of the McKinley-Darragh-Savage Mines of Cobalt Ltd., a former silver producer which paid 265 per cent in dividends. Since that time company has operated as investment concern.

Kerr Lake Mines

The sum of $60,000 is to be distributed to shareholders of Kerr Lake Mines on Nov. 27, a dividend of 10 cents per share having been declared payable on that date to shareholders of record Nov. 17. This will be the first disbursement made by the company since October, 1927. In the year ended August 31, 1934, the company had a net profit of $24,383.

Kerr Lake Mines owns the Kerr Lake Mining Co. which at one time was one of the outstanding silver producers in the Cobalt district. It holds interests in gold and silver mining companies in Canada, United States, New Zealand and Australia. Dividends paid by this company since its incorporation approximate $10,407,000.

Banner Gold Acquires Claims in Beardmore

From Our Own Correspondent

SUDBURY.—A block of mineral lands 700 acres in extent, immediately adjoining the Northern Empire Mines in the Beardmore section, has been acquired by Banner Gold Mines, and as soon as necessary financial arrangements have been made, it is reported operations will proceed on an extensive mining programme.

The properties were staked over two years ago, and considerable surface work has been done in the interval. A series of parallel veins have been opened up and test pits have been put down on some of the better showings. Samples taken from various surface exposures are reported to have returned values of .14 to 1.16 oz. in gold per ton.

C. W. Dunthorne, Toronto, is president and managing director of Banner Gold, and the other members of the board of directors are: Major R. H. Dean, R. M. Glover, C. W. Sutherland and J. D. Martin. The company is capitalized at 3,000,000 shares, of which, 1,500,000 remain in the treasury.

Robb-Montbray Plan To Mine Known Ore

Robert A. Bryce, president of Robb-Montbray Mines, in an announcement just released, states that the company is taking immediate steps to carry out the recommendations made by the consulting engineer and geologist in their September report, namely to take out, mine and ship the known ore. Mr. Bryce states that supplies and equipment have already been sent into Montbray, and in the course of a few days they will start to dewater the mine and commence mining operations. When mined this ore will be hand sorted and teamed to the railway and from there will be shipped to the Noranda smelter. This, however, cannot be done until there is sufficient ice on the lake to permit transportation to the railroad.

It is also announced that the company has taken an option on a property in the southwest part of Hislop township and that a crew of men is already on the property trenching and sampling the surface outcrop. Diamond drilling has started on this property, but it will be some time before the results are known.

Elected to Smelter's Board

SIR CHARLES GORDON
President of the Bank of Montreal, who has been elected a director of Consolidated Mining and Smelting Co. of Canada, succeeding the late W. J. Blake Wilson.

Radium Source In Table Salt Is Not Likely

The recently announced discovery that common table salt can be given the induced property of radioactivity will have no effect on the price of radium, in the opinion of J. D. Leitch, physicist and radium expert of the Ontario Department of Health. Radium, he points out, will still be necessary in order to give salt this induced property.

"The discovery," Mr. Leitch told The Financial Post this week, "is of interest mainly in the realm of atomic physics. While it is hoped that use may be made of it in the treatment of cancer and other diseases no scientific proof of its value in this direction is at present on record. At the present time the induced property of radioactivity has too short a duration to be of any value in the medical field.

"From reports in the press an idea has crept abroad that radium can be made out of ordinary table salt. What really is meant is that ordinary table salt can be given temporarily the property of radioactivity similar to radium."

Reference to the short life of radioactivity as an induced property was also made by Dr. J. W. McCullough, chief inspector of the Department of Health. Even if the life of the induced property was of a reasonable length it would take a number of years to prove whether it would be of any value in the treatment of cancer, he said.

SILVER STRADDLES AIDED BY BY-LAW

Commodity Exchange Rule Lowers Cost Relating to Deliveries

From Our Own Correspondent

MONTREAL — A flat delivery charge when a silver futures contract is settled by a transferable notice on the Canadian Commodity Exchange has been eliminated by the Board of Governors. Instead, clients may only be charged for actual disbursements in connection with deliveries.

Heretofore, the by-laws have called for a charge equal to one-half of the commission when deliveries are effected. At present prices for silver, this charge was equal to $5.50 for each contract. Actual expenses are not expected to reach this figure, and the committee have voted to change the by-law in this respect.

The amended by-law will then read:

"Upon the delivery or receipt of silver or when a contract is settled by giving or receiving a transferable notice in fulfillment thereof, a commission charge is not compulsory, but a charge must be made for all actual disbursements incurred or paid in connection therewith."

The change is expected to make the practice of investing in "straddles" more attractive, and the elimination of the charge in this respect will have the effect of increasing the yields obtainable in "straddle" investments.

Algoma Mining Report Shows Waiting Policy

Algoma Mining & Finance Corp. in a progress report issued over the signature of S. G. Tobin, president, states that while development work is continuing on the company's group of 12 claims in the Little Long Lac area, no discoveries of importance have been made "as there is, characteristic of this camp, a great deal of overburden and very few rock exposures, it will take time and effort to determine the full possibilities of these claims."

As regards the Great Bear Lake property, the company announces that it is adopting a waiting policy, in view of the cost of operating in this section. Mr. Tobin states that sufficient work has been done on these properties to hold them for a considerable length of time. Nothing of sufficient importance warranting development work has been found by the company's general exploration staff. At the present time two properties are under examination.

Share Position

Algoma Mining & Finance reports that it still has 1,220,000 shares of its 2,000,000 share capitalization remaining in the treasury. Mr. Tobin announces that the plan endorsed by shareholders, to increase the capitalization from 2,000,000 shares to 6,000,000 no par value has fallen through. During a period of unavoidable delay in consummating the plan mining securities declined in value, making the completion of the transaction more and more difficult. As a result, a cheque which had been tendered for a block of the company's treasury stock as part of the arrangement has been returned. The by-law authorizing the increase in the company's capital has been rescinded, leaving the company in the position of having only 780,000 shares outstanding.

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DOMINION ENGINEERING Company Limited
MONTREAL TORONTO WINNIPEG VANCOUVER

McMILLAN'S MILL ON REGULAR BASIS OF 125 TONS DAILY

Initial Difficulties Now Overcome, Officials Satisfied

From Our Own Correspondent

SUDBURY.—Customary difficulties encountered in initial operations have now been permanently overcome at the mill of McMillan Gold Mines, and tailing losses have been cut to the minimum. Officials are well pleased with the performance of the plant. Daily tonnage is now around 125 and gold is being shipped regularly to the mint at Ottawa.

For safety and ventilation purposes a raise is now in progress from the 325-ft. level to surface. Millfeed is being drawn from all five levels, with the bottom level, the 625, supplying the smallest proportion. Millheads are said to be satisfactory.

New Offices Built

A new office and warehouse building has been completed, and the former office is now being used as a sleep camp. The company has leased from the Abitibi Power and Paper Co. several vacant houses at Espanola and employees of the mine have taken up residence there.

J. G. MacGregor, consulting engineer, who was appointed following the sudden death of Dr. J. H. Banks, president of McMillan, is remaining at the property for some time. It is expected that a policy of periodical reports on operations to shareholders will be adopted shortly.

Fox Lake to Treat Surface Oxide Ores

From Our Own Correspondent

SUDBURY.—A mill of 25 tons daily capacity is being erected on the property of Fox Lake Gold Mines in the West River area, where small scale development has been proceeding all year. Operations at the Fox Lake have been rather unique, consisting of gold recovery from surface oxide ores by simple amalgamation. These oxides are surface and near surface decomposed quartz grains, iron oxides, sulphides and free gold with clay and some vegetable matter and have been brought up from unknown depths. A 30-ft. pit shows these oxide bodies. The sulphide ore veins show below the oxides in places at 10 to 30-ft. depths.

The small mill now in course of construction is planned to treat the sulphide ore deposits underlying the oxides as soon as some information has been obtained as to the size of the deposit.

Eldorado Gold Made No Effort To Sell in U. S.

Definitely stating that his company had made no application to the state of New Jersey for permission to sell stock in that state, Gilbert LaBine, vice-president of Eldorado Gold Mines, denied all knowledge of the basis for a report, widely published under a Newark, N.J. dateline, to the effect that Eldorado had been restrained permanently from selling, listing, or trading its stock in New Jersey, by a ruling of vice-chancellor Malcolm G. Buchanan in Chancerey Court.

The report stated that refusal to reply to a questionnaire of the State Attorney-General's office led to the company's prosecution by George Kesselhaut, assistant Attorney-General.

Asked by The Financial Post what the significance of the purported ban was, Mr. LaBine stated: "We don't even know what they're talking about. We never made any application to be listed in New Jersey, or to sell stock there."

"What about the questionnaire?" The Post asked.

"The only thing I know about that is that some months ago, a printed questionnaire from New Jersey came into the office, and as we weren't interested in selling stock there we didn't answer it."

Eldorado had been listed on the recently liquidated New York Mining Exchange, and would therefore be among those companies subject to the questionnaire sent out in connection with the new U.S. securities legislation.

However, Mr. LaBine told The Financial Post that Eldorado had not applied to be listed on the now defunct New York Mining Exchange.

He was warmly critical of the action of U.S. authorities which had resulted in creating the impression that Eldorado had sought to sell its shares in Newark, and had been banned because of some irregularity.

METALS FINANCE WILL SINK SHAFT AT LA CLOCHE GOLD

Plan Development to 350-ft. Level — Camps Erected

From Our Own Correspondent

SUDBURY.—Metals Finance Ltd., of Toronto, will shortly commence the sinking of a two-compartment shaft on the property of LaCloche Gold Mining Syndicate, in Mongowin township, West River area, under a working agreement entered into recently. It is understood the initial development campaign calls for a 350-ft. depth, and that one or two levels will be opened. Site for the shaft has not yet been selected, but decision will be made within a few days.

Permanent camps have been constructed on the property, and work will proceed on a headframe as soon as sinking operations are well under way. Power for the immediate future will be provided by a Diesel engine. Seventeen men are employed in present operations.

To Explore Veins

Several veins of substantial width are said to have been disclosed in stripping and test-pitting during the summer. These will be explored underground in a development programme this winter.

The property is composed of 20 claims in Mongowin township and four claims in McKinnon township to the west, all in one block, bordering on the north and west of McMillan Gold Mines. The Abitibi power line from Espanola serving McMillan cuts across the centre of the property. A. B. Pilliner is in charge of operations for Metals Finance.

McKenzie - Red Lake Gold Finish Mill Foundation

Latest reports from the head office of McKenzie Red Lake Gold Mines state that, with the foundation of the mill completed some weeks ago, the steel structure is now up and the job of closing in the building started. Company officials state that power will be available some time during December. About 110 men are at work, most of whom are busy with the plant and power line construction.

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News of Canadian Mining Investments

The Week in Mining

Cheery Scraps

OUT of the welter of international news last week, mining markets gleaned enough hope to check the decline of past weeks, and even register marked gains in golds, silver and base metal stocks.

The scraps of news upon which this upturn was based were not, it is true, of large dimension, but there was enough to go around, and all classes got their little bit.

Gold stocks picked on the announcement that the United States had lifted the ban on export of American capital. Traders saw in this grounds for believing that funds from across the border would now be free to enter the Canadian mining market. The argument that this would necessarily be a major boon to Canadian mining seems, however, to have been a bit overstressed in certain quarters. Few would argue that lack of capital has ever been a handicap to the healthy advancement of the Canadian mining industry. There is undoubtedly sufficient Canadian capital to develop the Dominion's mines. When capital is scarce, it is usually because the Canadian public has been scared out of the market by a wave of fraudulent and meritless promotions. Give the Canadian public soundly backed prospects, and finances will be available. Failing this, the mere availability of American or English capital, will not help the healthy growth of the industry one whit.

Another factor which helped to take the cream off the news from United States is the fact that many competent observers see in the lifting of the ban more or less definite assurance from the U.S. administration that gold prices will not be boosted, at least in the near future. The purpose of the ban, imposed in March, 1933, was to check the anticipated flight of capital from United States consequent upon that country leaving the gold standard. Further inflation at this time would increase the need, according to this theory, for some sort of a check to this flight. The fact that the ban has been removed therefore, would, it is argued, indicate that the administration was not contemplating raising the gold price still further.

Silver's little quota of good news was centred around the report that United States was buying silver in the London market. Since United States committed herself to buy silver until the ratio of gold to silver in her treasury reserves was 75-25, gold has been coming into the treasury faster than silver, with the result that that country has been hard put to it to increase her silver reserves, it is reported. As a result of this information, silver stocks ended the period at considerably higher quotations.

The stocks of base metal companies, most of whom are silver producers, reacted in sympathy with silver shares.

* * *

Commendable Speed

GOVERNMENT mining officials in other parts of the world might do well to take a cue from Canada's neighboring colony of Newfoundland in regard to guarding against costly and abortive gold rushes.

Following sensational reports from Rose Blanche, the government dispatched Claude Howse, assistant government geologist, to the territory to investigate. Mr. Howse reported that results of analysis for gold in 22 samples were exactly nil.

Thus, the too-frequent experience of thousands of prospectors who have rushed to an area and been left stranded in the wilds without funds, was avoided.

* * *

Index to Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 129.6 for the week ending November 8, as compared with 125.9 for the previous week.

Nineteen gold stocks rose from 126.4 to 130.3, and four base metals stocks from 128.6 to 131.5.

Congress Gold Officials Look for Mill by Spring

In a progress report issued by Congress Gold Mines operating in the Bridge River area, it is stated that officials expect the property to be ready for a 100 or 200-ton mill by spring. Nearly $30,000 has been spent on the property in equipment and development during the past eight or nine months. Officials state that 50,000 tons of commercial ore is indicated between No. 3 and No. 2 tunnels and, according to engineer's estimates, a further expenditure of about $30,000 in the extensions of No. 1 and No. 2 tunnels and an upraise connecting the three levels should increase the ore available to 150,000 tons, sufficient to supply a mill of 150-ton daily capacity for over three years.

August Silver Output

Canadian silver production in the month of August was at the highest level on record since July, 1932, producers reporting an output of 1,725,673 ounces of silver as compared with 1,237,340 ounces in the preceding months. During the eight months ended Aug. 31 Canada produced 10,674,681 ounces of silver, an increase of 5.1 per cent over the corresponding period of 1933. World output of silver in August totalled 15,436,000 ounces as compared with 13,667,000 ounces in July.

KANACHUAN PLANT FOR GOD'S LAKE READY NEXT FALL

Among Empire's Four Most Northerly Power Sites

The British Empire's four most northerly hydro-electric plants are all operated by mining companies to supply power for their own mines. A fourth plant, 400 miles by airplane northeast of Winnipeg, is now under construction by the Kanachuan Power Co., a subsidiary of God's Lake Gold Mines, to serve its new mill planned for completion next year and also to serve its new mining subsidiary, Jowsey Island Gold Mines, developing the westerly two miles of God's Lake holdings.

In a little over two years since Robert Jowsey made the original gold discovery at God's Lake, the frontier of Northern Manitoba's mineral belt has been pushed back and a new community added to the heretofore barren area. God's Lake mining potentialities are indicated by the hydro-electric plant now being constructed. The initial single electric unit will be of 1,900 h.p. capacity generating 3 phase 60 cycle current at 2,300 volts while transmission to the mine will be over a 42 mile 44,000 volt wooden pole line. The site of the new development is on Island Lake River connecting Island Lake with God's Lake some 42 miles south of Elk Island, the site of the present mining activities. Completion of the project is planned for September, 1935.

To Build Canal

Over a distance of 3½ miles the total drop in the river is 64 ft. but for the present only an 18 ft. head will be developed. Provision is being made for the addition of two more similar units bringing the total capacity to 5,700 h.p. To this end it was recently announced that instead of constructing a wooden flume conducting the water for one unit only from the dam to the power plant, a canal would be constructed at the outset capable of supplying the ultimate plant capacity. A further factor in this decision was the recent announcement of God's Lake Gold Mines to bring its westerly end under immediate development by forming an operating subsidiary, Jowsey Island Gold Mines in which God's Lake Gold Mines owns control. This will provide for the immediate development of the company's properties that would otherwise be impossible for several years.

H. R. Drummond-Hay, vice-president of the company reports that a new ore shoot has been opened up on the second level, which has been developed to a length of 34 ft., giving a value of .74 oz. over 4 ft. 8 in. The ore shoot known as 1-3 now gives a value of .39 oz. over a width of 5 ft. 9 in., this being an increase in width of five inches. Ore shoot, 2-1, has retained a value of .48 oz. over a width of 5 ft. 4 in., being an increase in width of 8 inches.

The ore dimensions and grade on the two levels to date are, therefore, as follows:

Level	Ore Shoot	Value in oz.	Width ft.	Length ft.
1st	1-1	0.65	8.2	261.8
1st	1-3	0.39	5.9	130.7
1st	1-5	0.24	4.6	39.9
2nd	2-1	0.48	5.4	352.8
2nd	2-3	0.74	4.8	34.3

Quesnelle Quartz Mine Makes Rapid Progress

From Our Own Correspondent

VICTORIA — Steady progress is being made with tunnelling operations at Quesnelle Quartz mine on Hixon Creek, near Quesnel, according to the progress report issued to shareholders over the week-end.

Following the recommendation of P. E. Peterson, M.E., consulting engineer, the drift at the 200 ft. level has been extended for 64 ft. from the shaft. This drift leads to the contact with the shear zone. At the contact the direction of the tunnel is being changed and will be driven along the greenstone side of the contact for a distance of about 300 ft., which will bring the tunnel beneath the Koch shaft, the Clarke tunnel and the Briscoe Pit from which were secured the extremely high values early this season.

The greenstone through which the tunnel has been driven is more heavily mineralized all the way. It is the considered opinion of the company's officials that a large body of good commercial ore will have been proved upon the completion of the present work. A crew of ten men is engaged in the development work at Quesnelle Quartz.

Trail Ore Receipts Total 11,465 Tons

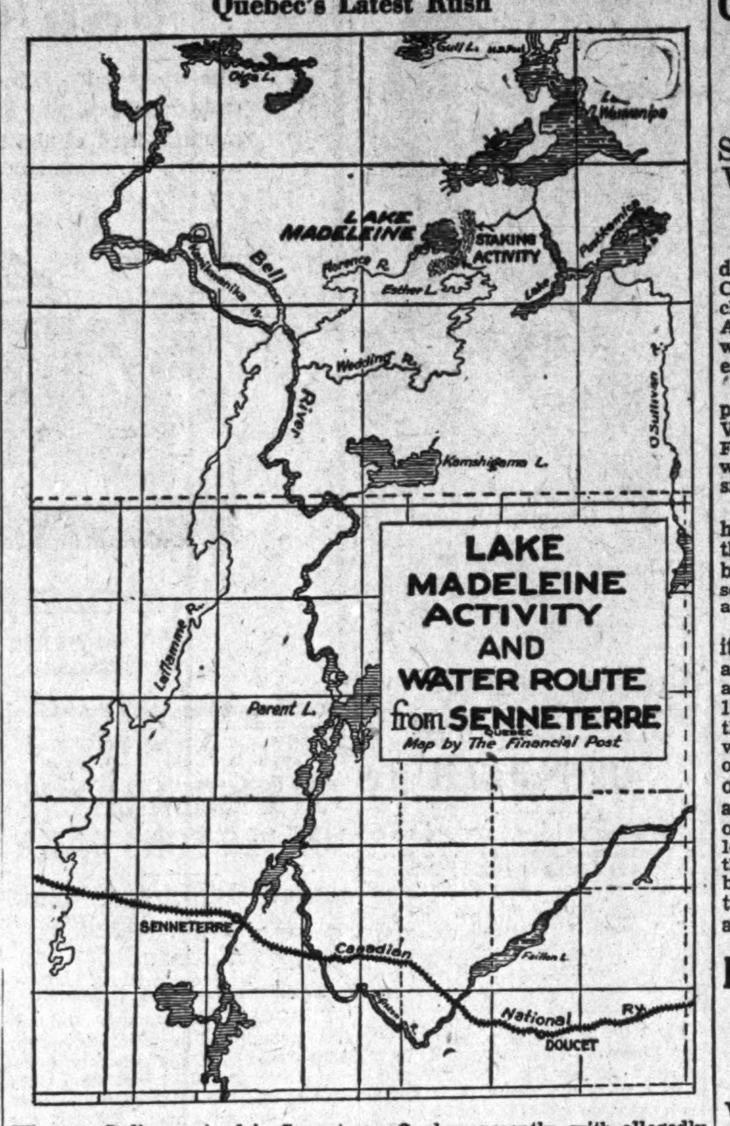
Ore receipts at the Trail smelter of the Consolidated Mining & Smelting Co. of Canada for the period Nov. 1 to Nov. 7 inclusive totalled 11,465 tons. Of this amount 10,535 tons came from the company's own mines. A detailed statement of receipts is given below:

Name of Mine	Tons
Bell	45
Bunker Hill	49
Evening Star	45
First Thought	183
Granite	33
Knobhill	49
Lone Pine	56
Midnight	20
Morning Star	230
Old Gold	32
Tom Thumb	54
Waterloo	51
Columario (concentrates)	23
Dentonia	60
	930
Company's mines	10,535
Grand total	11,465

Western Consolidated Plans Sale of Assets

Shareholders of Western Consolidated Oils have been summoned to a meeting in Edmonton on Wednesday, November 21, to consider a by-law authorizing a sale of the assets of this company to Hughalta Oils, "or to some other company satisfactory to the directors whether now incorporated or to be incorporated." The assets will be transferred on a basis of one share in the new company for every five or six issued shares of Western Consolidated Oils. The notice is signed by A. D. Palmer, president of Western Consolidated.

Quebec's Latest Rush



When an Indian arrived in Senneterre, Quebec, recently, with allegedly important gold samples, he precipitated a rush of considerable size into the Lake Madeleine area shown above. The area is about 75 miles north of Senneterre, and is accessible, prior to the freeze-up, by the water route as shown.

Excited Indian Starts Rush Quebec Gov't Investigates

When, toward the end of September, an Indian named John Waubanoni, who trapped in the vicinity of Lake Madeleine, 75 miles north of Senneterre, Quebec, arrived in Senneterre with spectacular samples of gold and telluride-bearing quartz, he precipitated a gold rush which prior to the freeze-up had reached considerable proportions. Some 600 claims have already been filed with the Mining Recorder at Amos. The Indian was quite willing to talk, and local prospectors rushed to the district. Many large operators have secured ground, but Prospectors Airways was first in the field and staked the original find some 1,000 ft. south of the easterly part of the lake. Stripping and surface work is going on apace and camps are being built for winter operations. Although Noranda and Ventures were reported to be in the field, both these companies informed The Financial Post they have no holdings.

Madeleine Lake is also known as Rose Lake and Florence Lake. Upon hearing of the discovery, the Quebec Bureau of Mines sent one of its geologists, Dr. G. S. Mackenzie, who was doing geological work immediately east of the new gold discovery, to report on the find. The closest point from which to reach the area by plane is Senneterre on the C.N.R. It is also accessible by canoe from Senneterre by the well used route down the Bell River to the mouth of the Florence River and up that river to the lake. Travelling light, the trip can be made in four or five days in the summer.

Dr. Mackenzie's Report

Dr. Mackenzie, in his report to the Quebec Government, states that in addition to the original vein at least eight other veins have been discovered in its vicinity. In five of these free gold and in some gold tellurides were noted. The veins occur in an area some 600 ft. long and 200 ft. wide in which are also included two masses of syenite and several dykes of feldspar porphyry. Few of the veins can be traced more than 50 ft., some are obscured by drifts at their extremities, and others definitely pinch out, Dr. Mackenzie states.

In addition to these findings, on the property staked by Prospectors Airways, Dr. Mackenzie reports that several other large veins have been uncovered on adjacent claims. For the most part, Dr. Mackenie states, the quartz is glassy and unmineralized. No values for gold were obtained from them except in one vein which was 4,500 ft. west of the original discovery. This vein though glassy quartz, is rather more mineralized with pyrite than the others, and grab samples have been reported to assay 33 oz. to the ton in gold. Reporting on the property known as the Bush claims, Dr. Mackenzie states that two large quartz veins have been uncovered. "Both are glassy quartz and almost unmineralized," Dr. Mackenzie states. "In one, however, a little pyrite and chalcopyrite was noted."

"On Prospectors Airways gold has been found at points 4,500 ft. apart with low ground between. This ground, and that to the south and the east, under the sandhills have possibilities. Extensive greenstone areas are known to exist to the southwest and southeast of the discovery," states the geologist in summarizing his report.

BASE METALS CORP. HAS SMALL PROFIT

Mining Corp. Issues Report Covering Operations in Third Quarter

The Mining Corporation of Canada has issued its quarterly report covering operations of its subsidiaries, Ashley Gold Mining Corp., Base Metals Mining Corp., Normetal Mining Corp., and Laguna Gold Mines during the three months ended Sept. 30 last.

Base Metals Mining Corp.

Estimated net profit of Base Metals Mining Corporation for the nine months ended Sept. 30, 1934, is shown at $65,631. Revenue from production, less freight and realization, amounted to $296,968. Cost of production including administration and general expense totalled $202,875 and the sum of $28,462 was provided for depreciation.

"The profit shown is disappointing," says J. P. Watson, president, "when compared with estimates made about the time production was resumed in 1933, but may be considered satisfactory in view of the serious decline in world prices for lead and zinc since that time. Operating costs are lower than estimates."

During the quarter ended Sept. 30, Base Metals Mining Corp. milled 25,724 tons of ore and added approximately 1,000 tons to broken ore reserves. The average grade of ore milled was 12.5 per cent lead, 13.3 per cent zinc and 1.85 oz. silver. From this ore there were produced 3,714 tons of lead concentrates containing 80.3 per cent lead and 31,536 oz. silver and 5,010 tons of zinc concentrates containing 60.7 per cent zinc.

Ashley Gold Mining Corp.

In the quarter under review an improvement over the previous three months was shown in tonnage treated, grade of ore and gold bullion produced by Ashley Gold Mining Corp. Tonnage milled from the company's property in the Matachewan area was 11,187 tons, with an average grade of .342 oz. per ton and bullion shipments contained 3,631 fine ounces, valued at $214,571 in Canadian funds. Since the inception of operations 77,411 tons have been milled with an average assay of .424 oz. per ton, and bullion shipments totalling $914,882 in value have been made.

A total footage of 1,111 ft. of development work was completed during the period. This consisted of 826 ft. of drifting, 233 ft. of crosscutting and 52 ft. of raising. The results of this work were, in the main, disappointing, though, the report states, "there is reason to look for more favorable results in the coming quarter."

The Ashley vein, the report says, has now been developed by underground workings to a total length of more than 1,800 ft.

Normetal Mining Corp.

Development is proceeding on the Normetal property in Abitibi twp., Quebec. Drifting along No. 1 and No. 2 ore bodies has been completed on the 675- and 800-ft. levels and diamond drilling with flat holes is now in process to establish widths and grades of ore on these levels.

Laguna Gold Mines

On the Laguna property in the Herb Lake area of Manitoba, formerly known as the Rex Mine, the main shaft has recently been completed to a depth of 500 ft. on the dip of the vein and lateral development on the 350-ft. and 500 -ft. levels will proceed during the current quarter.

Involved in Lawsuit

Mining Corp. of Canada has announced that it will contest a writ issued by Rochester Securities against the company, A. B. Stodart and C. G. McCullagh in connection with a deal in a block of shares of Ashley Gold Mining Corp., made in New York City in May, 1934, with Bernard E. Smith, of New York, and associates. Rochester Securities alleges misrepresentation and claim return of $350,000, the sum paid for 500,000 shares of Ashley Gold Mines, or in the alternative damages for alleged misrepresentation. The defendants deny the charge.

Canusa Gold—Power was turned on at this property in the Porcupine area of Northern Ontario recently, it is officially announced. This company is to try a new milling process with a small scale tonnage, in an effort to solve its metallurgical problems.

GRANBY TO CLOSE ANYOX PROPERTY IN SIX MONTHS

Shareholders to Vote on Whether Directors Should Borrow Further

Shareholders of Granby Consolidated Mining, Smelting & Power Co., will, on Dec. 12, be given a chance to vote on whether or not the Anyox properties, the only mine which the company now has in operation, will be shut down.

In the meantime, Charles Bocking, president of Granby, informed the Vancouver correspondent of The Financial Post that the Anyox Mine will be definitely shut down "within six months."

At the meeting on Dec. 12, shareholders will also vote on whether the directors of the company shall borrow further sums of money, or sell the copper at present on hand, at current prices.

The report that Granby is to close its Anyox properties did not come as a surprise to most shareholders, inasmuch as the report for the year 1933 states that recoverable ore at the property would be exhausted within two years. Although some ore has been developed since Jan. 1, officials of the company state that at the end of the present year, the ore reserves will be considerably less. Because of the short life of the mines, the Anyox mines have been operated at capacity in order to get all the copper above ground at low operating costs.

HOME OIL SELLS ALBERTA WELLS TO ROYALITE OIL

Will Operate as Holding and Investment Company

As result of the action of shareholders of Home Oil Co. last week in approving the sale of the company's Turner Valley properties to Royalite Oil Co. for a consideration of 20,000 Royalite shares, Home Oil becomes exclusively a holding and investment company.

Originally incorporated in 1925 Home Oil was reorganized in 1929 and until 1932 was engaged exclusively in the production of petroleum and natural gas. In that year the company branched out into mining and since that time has acquired a substantial interest in several British Columbia mining companies. With the sale of its Turner Valley properties the company ceases to be an active oil producer and its principal assets now are its interest in Royalite Oil and its mining investments. It also holds a quarter interest in Home Oil Distributors, a gasoline distributing company operating in British Columbia.

Under the terms of the agreement of sale which was ratified by shareholders the company's Turner Valley assets, except drilling equipment, becomes the property of Royalite. The deal provides that 1,667 shares of the 20,000 received by Home Oil are to be used in settlement of liabilities of the company in respect of certain existing royalty and production participation. Arrangements have been made for Home Oil to receive the dividend of 75 cents per share payable by Royalite to shareholders of record Nov. 8.

Without allowing anything for the company's large holdings in Pacific Eastern Gold Mines and Placer Engineers, or its quarter interest in Oil Distributors the company's outstanding capitalization of 880,000 shares has an equity of over 50 cents per share in investment account. As at Sept. 30 last the company's investment account had a value of $202,417, consisting of $56,767 in cash, $47,621 in government bonds and shares in mining companies valued at $98,019. Holdings as at that date were 116 shares of Royalite Oil, 2,000 shares of Bralorne Mines, 4,700 shares of Pioneer Gold Mines, 2,100 shares of Vidette and 26,500 shares of B.R.X. The company also held 378,122 shares of Pacific Eastern and 66,666 shares of Placer Engineers. The properties of the latter two companies are in the preliminary stages of development.

With the addition of 18,333 shares of Royalite from the sale of Turner Valley properties, shares held in the investment account have, at current market prices, a value in excess of $360,000, bringing the total value of the account to approximately $465,000. The one quarter interest in Home Oil Distributors is carried in the balance sheet at $50. A year ago it was reported that this firm had large cash reserves which it was proposed to retain until some measure of stability had been brought about within the gasoline industry in British Columbia.

Bank of England Assayers Join Commodity Exchange

From Our Own Correspondent

MONTREAL — Johnson, Matthey and Co., melters and assayers to the Bank of England, has made application for the listing of its brand of silver, 999 fine, on the Canadian Commodity Exchange. The application has been approved.

Johnson, Matthey and Co. is one of the largest and best known refiners of precious metals in the British Isles and Europe. Listing of that company's brand on Canadian Commodity Exchange will open the way for deliveries of its English silver against contracts executed in Montreal without the trouble and expense of additional refining in this country.

Hollinger Consolidated to Pay Regular and Extra

Hollinger Consolidated Gold Mines has announced the declaration of a five cent per share bonus in addition to its regular four weeks dividend, payable Dec. 3 to shareholders of record Nov. 16.

The disbursement of the above declaration will bring dividend payments by Hollinger for the current fiscal year to $1.30 cents per share, which equals the record established in 1927 when the sum of $6,396,000 was distributed to shareholders. The total for the current year, however, will set a new record as the final or thirteenth dividend for the year, which is payable Dec. 31, has yet to be declared.

Now Want Silver To Be "Bug" Killer

It remains for the 20th century to find a new use for silver, historically one of the most romantic and glamorous of metals.

With calm disregard for romantics, it is now proposed to use this metal for killing bugs.

In a recent issue of "Engineering & Mining Journal" a German process which is to be exploited by an American company is described. More scientifically, the process will be used for killing bacteria.

Since once used the metal is not recoverable it is felt that the application of the process on a large scale, in sterilizing domestic and industrial water supplies and food products might stimulate demand for silver which might reach substantial proportions.

OCTOBER OUTPUT AT VIDETTE GOLD SET AT $17,000

Shows Distinct Improvement Over Previous Two Months

From Our Own Correspondent

VICTORIA. — October gross output of Vidette Gold Mines reached $17,000, a distinct improvement over production figures for the two preceeding months, according to information obtained from authoritative sources. November output is said to be keeping up well with the mill operating more smoothly than since milling operations were first started.

Although no official statement has been made on the subject, it is understood from a reliable source that a policy of following the vein down is to be instituted and adhered to in the future. Some weeks ago one of the numerous faults existing in the upper levels of the mine was encountered, and the vein lost. Efforts to relocate it since by diamond drilling are said to have failed. Although sinking on the vein is a more expensive form of development, it is believed it will prove a more satisfactory method to employ at the Vidette because of faulting.

Progress at Monashee

Progress at the Monashee mine near Vernon, subsidiary of Vidette, continues to be highly satisfactory. Officials of the company state that five drills are now operating continuously and that three levels are being developed simultaneously.

In the upper drift the vein is reported to have widened to 4½ ft. with values remaining in the neighborhood of $16 per ton as before.

The middle tunnel is rapidly approaching its objective of 800 ft. from the portal.

In the lowest tunnel the crosscut to get behind the caved portion has just been completed and when additional timbering has been finished this tunnel will also be extended in the ore to come under the two upper tunnels. When this work is completed there will be three levels in ore for at least 600 ft. each.

The annual report of the company released this week shows liquid assets of $58,562 and current liabilities of $48,415. Liquid assets include $6,666 cash in banks; $9,776 concentrates at the mine; $19,681 concentrates at the smelter and $21,933 capital stock subscriptions receivable.

Liabilities include a $14,800 bank loan secured by pledge of smelter returns; $16,070 accounts payable and $7,745 in equipment lien notes and payments due on property.

Gross production for the five-month period ending Sept. 30 was approximately $117,514 from 5,681 tons of ore. Approximately $190,000 has been spent in development and equipment.

Roche Long Lac Mines Listed on Toronto Board

Coincident with the announcement that application of Roche Long Lac Gold Mines for listing of its stock on the mining section of the Toronto Stock Exchange had been granted, shareholders of the company were mailed a financial statement covering operations in the period from May 7, 1934, when the company was incorporated, to May 30, 1934. Shares of the company were called for listing on Tuesday of this week.

The balance sheet of the company as at Sept. 30, shows a strong working capital position, current assets totalling $127,223 as against current liabilities of $8,079. Cash on hand and in the banks as at the date of the balance sheet amounted to $126,955. Mining properties are carried at a value of $101,431.

Roche Long Lac Gold Mines is actively developing a gold prospect consisting of 53 claims in the Little Long Lac area, and to date, the financial statement shows, has expended $29,430 under development account. Of this amount $3,887 was spent for buildings, $6,676 for machinery and tools and $7,023 on wages and supplies.

Only preliminary development work has been done on the property, consisting principally of stripping and trenching. At the present time, however, shaft sinking to a depth of 150 ft. is being proceeded with and a programme of diamond drilling is being carried out. It is planned to drift from the 150-ft. level on veins showing on the surface.

Roche Long Lac has an authorized capitalization of 2,500,000 shares, par value $1 each. As at Sept. 30, there were issued and outstanding 2,000,000 shares, 1,000,000 shares having been issued for properties and 1,000,000 shares sold for cash. A further 250,000 shares are under option at 50 cents per share. The option agreement which was for 190 days from May 9, 1934, has been extended for a further period of 60 days.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
Adel. 6028

World Output of Gold To Establish New High

Canadian gold production in 1934 will show little variation from the 1933 production. While production during the first nine months of the year has been less than in 1933 the decline has been so slight, amounting to 26,154 ounces, that it is probable that the decrease will be more than offset by an increase in production during the last three months of the year. The monthly trend of production is in the upward direction. Output during the months of August and September was higher than for the corresponding months of 1933, and with a number of new mills operating, it is anticipated that ounces of gold produced will show a further increase.

A bulletin issued by the Dominion Bureau of Statistics this week reports that Canadian gold production in the month of September amounted to 244,180 ounces as compared with 264,870 ounces in August and 236,526 ounces in September, 1933. During the nine months ended Sept. 30, Canada produced 2,188,376 ounces of gold, while in the corresponding period of last year 2,214,530 ounces were produced.

World Output Sets Record

Throughout the world an upward rather than a downward trend in gold production has been experienced. During the first nine months of 1934 world output of gold has been at a higher level than in any previous nine-month period and world production in 1934 will establish a new high record for annual output. World output in the first nine months, according to data compiled by the American Bureau of Metal Statistics, is estimated at 19,617,000 fine ounces, against 17,795,000 ounces for the corresponding period of 1933.

If production during the last three months of the year should equal the average, the monthly average for the current year to date of 2,179,000 ounces, an output of 26,154,000 ounces is indicated for the year. This compares with an actual output of 24,282,000 fine ounces in 1933.

Decline in production during the first nine months of 1934 were registered by three gold-producing countries. In addition to Canada, South Africa and India produced less than in the nine-month period ended Sept. 30, 1933.

South Africa's production in September dropped to 857,000 ounces from 886,000 ounces in August and 901,000 ounces in September, 1933. Like Canadian mines the South African producers have adopted the policy of concentrating on normally low-grade ores which are now profitable to work because of the high price of the metal. The proportion of the world's output produced by South Africa is lessening. In 1932 South African production was 47.7 per cent of the total produced in the world. In 1933 this dropped to 45.4 per cent and in the first nine months of this year to 40 per cent.

Russia in Second Position

Increased production in Russia and the United States more than offsets the drop in African production. Only a rough estimate can be made for Russia as authoritative figures are not available, but the American Bureau of Metal Statistics makes a tentative estimate of 2,635,000 ounces for the first nine months as against 1,440,000 ounces in the same period of 1933. This places Russia as the undisputed holder of second place among world producers, a position formerly held by Canada.

Production in the U. S. rose to 284,000 fine ounces in September from 239,000 ounces in August. Output during the first nine months totalled 2,107,000 ounces as compared with 1,759,000 ounces in 1933.

Below is given a table of comparative production figures for September and the first nine months of the year compiled by the American Bureau of Metal Statistics. Figures are given in thousands of fine ounces.

	Sept. 1934	Sept. 1933	9 Months 1934	9 Months 1933
United States	284	271	2,107	1,759
Canada	243	245	2,187	2,208
Mexico	*56	58	499	476
Colombia	*30	38	264	264
Other South Amer.	65	44	519	337
British India	27	28	239	253
Japan	*38	36	338	314
Queensland	*9	8	82	63
Western Australia	55	59	468	468
Other Australasia	46	36	360	307
South Africa	857	901	7,853	8,325
Belgian Congo	25	21	205	192
Rhodesia	59	56	521	476
British West Africa	34	31	288	253
Russia	*300	*160	*2,635	*1,440
Other	*125	*80	*1,034	*660
Totals	2,253	2,072	19,617	17,795

* Estimated.

ORO GRANDE SELLS MANITOBA GROUP TO NEW COMPANY

Beresford Lake Mines Renounces Agency of Former Concern

Formation of Beresford Lake Mines to acquire the properties of the former Oro Grande Development Co., has been announced by R. H. Little Co., of Winnipeg.

The reorganization was approved at a shareholders meeting of the Oro Grande Development Co. recently, and a plan approved for refinancing which included the organization of the present Beresford Lake Mines with a capital of 3,000,000 shares, the shareholders of the old company to receive two shares of the new company for three of the old.

It is understood that H. R. Bain & Co., Toronto investment brokers, have purchased a substantial block of shares in the new company after having sent their engineer, Reginald Hore, to the property.

Oro Grande some years ago was criticized by The Financial Post for its dealings with Jendow Holding Corp., of New York. This latter company took up 500,000 treasury shares in Oro Grande Development Co., which netted the treasury about $50,000 or ten cents per share. These were sold in Toronto through Foundation Securities Ltd., at nearly $1 per share until the Ontario Securities Commissioner cancelled the selling license. Mr. Little at that time explained that Foundation Securities was not the fiscal agent of Oro Grande Development Co., and the inference was that Foundation Securities was the fiscal agent of the Jendow Corp. R. H. Little & Co. state, however, that the Jendow Holding Co. has nothing whatever to do with the present deal.

H. R. Bain & Co. are understood to be financing the company privately and have no immediate intention of making a public issue. The old shareholders who received 1,000,000 shares of stock had their shares pooled for 18 months.

The Oro Grande property is fully equipped with a complete mining plant including air compressor, boiler, hoist, etc. The company claims that a milling plant has been installed capable of handling 75 tons per day. In addition to the Oro Grande holdings, the new company has taken an option on the Solo group of claims to protect the dip and strike of the vein. The shaft on the Oro Grande property is down to 250 ft. and the shaft on the Solo property down 500 ft. It is now planned to open up the other levels and extend the work to the north.

Normandy Lets Contract To Drill Rice Lake Claims

Officials of Normandy Gold Mines inform The Financial Post that a contract has been awarded to the Alexander Diamond Drilling Co. of Toronto for a minimum of 3,000 ft. of drilling at their property in the Big Rice Lake field, Manitoba. It is stated that a diamond drill outfit is already at the property and that the set-up of drills will be completed shortly. The first hole is being drilled on the company's Big Horn claim immediately adjoining the Rachel claim of the Forty-Four Mines. Surface work on the Hunter claim has disclosed a mineralized vein zone of over 40 ft. in width, the company states. To date four different vein systems have been located on the property. Following diamond drilling it is the intention of the company to proceed with shaft sinking and underground work. The management reports that all supplies and equipment for the winter work are now at the property and that the company has sufficient cash on hand to complete diamond drilling and immediate exploration work.

Toronto Exchange Lists Sheep Creek Gold Mines

Shares of Sheep Creek Gold Mines, a British Columbia company which was incorporated in 1933 to acquire the old Queen Mine in the Sheep Creek district of the Pacific province, were called for trading on the mining section of the Toronto Stock Exchange on Monday, and application for listing on the Vancouver Stock Exchange is now pending.

The company's balance sheet as at August 31, 1934, submitted with listing application, shows a strong liquid position, current assets amounting to $119,405 as compared with current liabilities of $3,012. Current assets consist of $119,302 in cash and $103 in accounts receivable. Deferred liability of $99,773 is shown under the agreement covering the purchase of the Queen Mine. This amount is payable in amounts equal to 10 per cent of the net mint or smelter returns. The company also has a contingent liability of $42,376 under options covering mineral claims. The company's mining plant is carried at $115,185 and its mining property at $312,777. Total assets are shown at $907,785.

Sheep Creek Gold Mines has an authorized capitalization of 2,000,000 shares, par value 50 cents. Of this amount, 610,000 shares were issued for property and services and 1,000,000 shares sold for cash. An option is outstanding on 170,000 shares to A. E. Jukes & Co., Vancouver, at 40 cents each.

While the company acquired from its predecessor a mill with the usual buildings it is planned to install a new mill with a daily capacity of 100 to 150 tons. Development at the mine is proceeding on the seventh level. An ore chute 350 ft. in length has been opened up. To date the company has taken no production.

Tom Johnson - Nipigon to Start 275-ft. Shaft

As a result of encouraging channel assays reported from the property of Tom Johnson-Nipigon Mines in the Beardmore area, P. H. Crawshaw, president and managing director of the company, recommends that a shaft be sunk immediately to a depth of 275 ft., with stations opened up at 125 and 250 ft. levels. Mr. Crawshaw reports that the company's vein is in direct line with the western end of the Newmont property, the Beardmore mine, and believes that it is an extension of that vein.

Tom Johnson-Nipigon Mines has an authorized capitalization of $2,000,000 in $1 par value shares of which 1,212,505 are outstanding. During the summer the company has been conducting an aggressive exploration programme which has resulted in the discovery of the vein extension.

NICKEL EARNINGS DECLINE SLIGHTLY IN THIRD QUARTER

Net Profit in First Nine Months 86 Cents Per Share

The regular quarterly report of International Nickel Co. for the three months ended Sept. 30 shows a decline in earnings from the previous quarter, net profit for the period amounting to 24 cents per share on the company's outstanding common stock as compared with 31 cents per share in the three months ended June 30. In the corresponding period of 1933 net profit amounted to 22½ cents per share.

The decline in the third quarter earnings does not come as a surprise, and merely reflects the decline in the price of copper and a slight decrease in nickel sales. The Financial Post predicted last week that profits in the third quarter would show a decline. In his letter to shareholders, Robert C. Stanley, president, refers to the fact that in extracting nickel, two pounds of copper are recovered for every pound of nickel. This means that copper is being mined by International Nickel at the rate of more than 200,000,000 pounds per year. As result the price of copper has an important effect upon the company's earnings.

Net profit for the first nine months of the year totalled $14,017,809, equivalent to 86 cents per share, as against $5,636,019 or 28½ cents per share, for the first three quarters of 1933. It would now appear that the prediction of earnings of $1.25 per share for the year will not be fulfilled. Profits, however, will be in excess of $1 per share. The prospects for the fourth quarter are deemed bright.

Earnings from operations declined from $7,368,725 in the quarter ended June 30 to $6,116,396 in the three months under review. Other income increased from $91,125 to $108,234. Administration and general expense, provision for taxes, depreciation and depletion, and interest paid and accrued all registered slight declines.

The following tabulation gives the earnings statement in detail:

Income and Surplus Account

	3 mos. ended Sept. 30 1934 $	3 mos. ended Sept. 30 1934 $
Earns. from oper.	6,116,396	20,948,887
Less:		
Admin. & gen. exp.	318,533	1,045,639
Prov. for taxes	660,155	2,255,729
Net oper. profit	5,137,708	17,647,519
Add other income	108,234	243,408
	5,245,942	17,890,927
Less:		
Deprec., depl., etc.	1,164,468	3,573,647
Int. paid & accr.	76,308	299,471
Net profit	4,005,166	14,017,809
Less appropriations:		
Pref. dividends	483,475	1,450,424
Common dividends	2,186,725	5,102,359
Surplus for period	1,334,916	7,465,026
Add: Prev. surplus	28,855,580	22,767,570
Less: Prem. on deb. red.	......	42,050
Balance forward	30,190,546	30,190,546
Common share earnings:		
Earned	$0.24	$0.86
Paid	0.15	0.35

Note—Exchange adjustments for the nine months ended Sept. 30, amounting to a net debit of $682,934, were not reflected in the net profit but were carried to exchange reserve.

The balance sheet as at Sept. 30, 1934, shows an improvement in working capital position as compared with Dec. 31, 1933. Working capital as at Sept. 30 last amounted to $38,430,542, an increase of $4,134,212 over the close of the 1933 fiscal period. Cash on hand as at Sept. 30 was $3,191,356 higher, totalling $17,276,967.

Duparquet Mining Co. Reports Assay Results

From Our Own Correspondent

MONTREAL.—Assay results received from the Swastika Laboratories by the Duparquet Mining Co., show the recently-discovered ore body to be over 736 feet in length. The discovery, made by surface trenching and confirmed by drilling, was announced in progress report to the shareholders on November 1.

The drill holes now prove that commercial ore extends over a depth of 60 ft., down to the 150-ft. level. The present discovery is regarded as important, as it increases the known length of the ore body and confirms its persistence to depth. Diamond drill sections from the 60-ft. width run as high as $9.80 a ton, according to an official statement issued by the company.

New Find Reported By Sudbury Mines

From Our Own Correspondent

SUDBURY.—A new find on the southwest claim of their group has been reported by officials of Sudbury Mines, exploring property in the Sturgeon River district. The company owns outright nine claims in the area, located on the north shore of Oxaline Lake. The new find is described as looking "exceptionally good" by the engineer in charge, who says a full report on it will be made soon. Transportation difficulties, it is stated, have now been improved.

Government Has Map of Beaver Lodge Area

Following reports of gold discoveries in the Beaver Lodge Lake area on the north shore of Lake Athabaska, the Department of Mines at Ottawa announces that copies of an eight-mile-to-the-inch map issued in 1923 are available at the Bureau of Economic Geology, Department of Mines, Ottawa. The map shows the principal geological features along the borders of Lake Athabaska.

SYLVANITE GOLD MINES, LTD.
(No Personal Liability)
DIVIDEND NO. 12

NOTICE is hereby given that the regular quarterly dividend of five per cent (5%) on the outstanding capital stock of the Company has been declared by the Directors of the Company, payable December 31st, 1934, in Canadian funds to shareholders of record at the close of business November 20th, 1934. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

By order of the Board.
W. S. WALTON, Secretary.
Toronto, November 10th, 1934.

BULOLO DECLARES INTERIM DIVIDEND 90 CENTS A SHARE

Annual Report Shows Net Profit of $1,626,698

Increased earnings are shown by the annual report of Bulolo Gold Dredging Ltd., for the year ended May 31, 1934, net profit amounting to $1,626,698, equivalent to $2.13 per share on the company's outstanding capitalization as at that date of 765,000 shares. This compares favorably with a net profit of $1,200,001 or $1.56 per share for the year ended May 31, 1933.

Operating profits for the year are shown at $2,235,698 as compared with $1,335,001 in 1933.

Improvement is shown in working capital position. The balance sheet as at May 31 last, shows current assets of $1,351,212 against current liabilities of only $158,130. Total assets are higher at $8,002,761.

Production

During the year, the company produced 89,737 ounces of gold and 44,351 ounces of silver, from a total yardage treated of 6,674,300 cubic yards.

The report estimates that as at May 31, 1934, the combined Bulolo-Bulowat area contained 95,000,000 cubic yards of gravel of an approximate average value of 50 cents per yard, from which a profit of about 38 cents per yard, equivalent to 1,031,428 ounces of gold, or slightly over $36,000,000 can be expected.

Deep drilling on the original Bulolo area has proved the existence of considerable volume of gravel lying below the originally contemplated bottom at 22 ft. To date this drilling has been confined to the upper half of the Bulolo area. Between 70,000,000 and 100,000,000 cubic yards of an indicated recoverable value of 25 to 40 cents per yard have been proved up by the drilling programme. Additional dredges are to be installed to handle this deep gravel.

The declaration of an interim dividend of 90 cents per share by Bulolo Gold Dredging Ltd., for the fiscal year ending May 31, 1935, payable Dec. 31, 1934, to shareholders of record Dec. 3, 1934, is indicative of the improvement in the company's operations and would indicate that the annual dividend disbursement commenced last year is to be increased. For the 1934 fiscal year interim dividends of 60 cents per share were paid in Dec., 1933, and in June, 1934.

The payment to be made in December will require an even larger cash layout than the two disbursements made in the 1934 fiscal year. In September of this year the company purchased the Bulowat Burnside areas from Placer Development Ltd., allotting to that company 150,000 shares of Bulolo Gold. This brought the issued number of shares to 915,000. On the issue number of shares the December disbursement will require the sum of $823,500. Disbursements for the 1934 fiscal period amounted to $818,000.

Profits Higher in 1934

In the current fiscal year profits have been at a much higher level. In August last the company brought its fourth dredge into operation and as result production since that time has shown an increase. Production is currently at the rate of approximately $4,350,000 per annum, and from the company's monthly reports it is calculated that working profits in the year ending May 31, 1935, will be in the neighborhood of $3,200,000.

While Bulolo Gold is a Canadian company it has no properties in Canada. The company operates placer gold deposits on the Bulolo and Watut Rivers in the British mandated territory of New Guinea, an island off the coast of Australia. Production was commenced in March, 1932.

McLaren-Porcupine Plans Change to 50-ton Mill

As a result of what company officials claim to be a notable improvement in the size of the ore bodies now in sight, McLaren-Porcupine Gold Mines operating in the South Porcupine area now plans to proceed with the installation of a 50-ton mill, instead of the 30-ton unit at first planned. W. M. McLaren, president of the company, informs The Financial Post that buildings to accommodate the new mill and other equipment are now being constructed and it is expected that the entire additional plant will be in complete operation early in the spring of 1935. A vertical shaft will be sunk to the 200-ft. level with levels established at 100 and 200 ft. Winter milled for the present mill, which is a three-ton stamp variety and which was placed in operation in April of this year, will be from the No. 3 vein.

The property in Deloro Township, which is now being operated by this company, was owned by Dr. W. M. McLaren and J. M. McLaren since 1916. The company has an authorized capitalization of 3,000,000 no par value shares of which 1,500,000 have been issued for properties. In addition, 800,000 shares have been underwritten, including 250,000 shares offered in October of this year by Porcupine Securities Corp., Toronto.

Ontario Mining Exchange Organization Proceeds

Organization of the Ontario Mining Exchange, which was incorporated about a month ago, is proceeding and it is expected that trading activities will be commenced early in the new year, William T. Stewart, president, informs The Financial Post. No information is available as to the number of applications that have been received.

The old Merchants Bank building on the north side of King Street just west of Yonge has been selected to house the new exchange. An option has been taken on this building by Mr. Stewart on behalf of the exchange. Renovating work is expected to commence in the near future.

While Mr. Stewart refused to disclose to what extent organization of the exchange has been completed he stated that ticker service from coast to coast had been arranged for.

Silver

Silver markets reached a new high on Monday when reports of heavy buying from the United States were circulated. 64 contracts were made on Monday, Nov. 12, and futures in Montreal and London spot prices moved to the new high level reflected in the table.

The receipt by the United States of 7,157,273 oz. of silver during the week ending November 2, brought the total number of ounces acquired under the nationalization order to 105,226,210. An additional 826,342 ounces, purchased from the mines during the same week, resulted in a total of 16,639,000 ounces from this source. The treasury have not announced the number of ounces purchased abroad but this figure must be at least as high as the total of the domestic silver so far acquired. The shipments per week from Great Britain to the United States run into the hundreds of thousands of ounces and it is known that a large share of the Mexican production is going directly to the United States government. In addition, Mr. Morgenthau, the Secretary of the Treasury announced some weeks ago that silver purchases were being made all over the world.

The recent large additions to the American holdings of gold, however, have increased the quota for silver. The United States, if the present policy is adhered to, is still about one billion ounces short of the grand total necessary to reach the objective of a ratio of one to three.

The exemption given to certain types of silver such as coin and bullion designed for domestic or industrial use, was announced to be permanent by Mr. Morgenthau.

A distribution of $30,400,000 of new American silver coins was made during October. There are $829,500,000 now circulating in silver.

Trading in Montreal
(Oct. 22 to Nov. 12)

	High	Low	Close	Contracts to date
Dec.	55.80	52.00	55.60	287
Jan.	53.35	53.10	51.95	7
Feb.	54.10	54.03	56.35	2
Mar.	56.80	53.35	56.75	154
April	57.10	54.75	56.95	23
May	54.75	53.65	57.10	174
July	54.00	54.00	57.70	9
Sept.	55.10	54.85	53.30	36

London Spot, Nov. 12, 25¼d.

Metal Prices

New York—Nov. 13—
Copper: Electrolytic spot and future, 9c.
Silver: 55¾c.

London—Nov. 13—
(Long Ton)—
Copper: Electrolytic spot, £30; future, £31. Standard spot, £27 5s; future, £27 12s. 6d.
Tin: Spot, £228 7s. 6d; future £228 12s. 6d.
Lead: Spot, £10 5s; future, £10 10s.
Zinc: Spot, £11 17s. 6d; future, £12 5s.
Silver: 24⅞d. per ounce.
Gold: 139s. ½d.

Canada—Nov. 13—
Gold: $33.91.

At the Mines

Birrell Gold Mines.—D. J. Hirst, president of this company, recently visited the property in Duprat township, Quebec, and reports to shareholders that shaft sinking has proceeded without interruption and had reached a depth of 29 ft. on October 27. The president has expressed satisfaction with developments at this new property.

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Grange Mines.—The new 60-ton mill of Grange Mines has started on its permanent run, and the first shipment of concentrates has already come out. Eleven thousand tons of ore had been blocked out when the last report was issued in September, and it is stated that as much again has been added to the reserve.

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Pioneer Gold Mines.—Directors of Pioneer Gold Mines of B.C. have announced the declaration of the regular quarterly dividend of 20 cents per share for the three months ending Dec. 31 next. The disbursement is payable Jan. 2, 1935, to shareholders of record Dec. 1, 1934, and involves the distribution of $350,350.

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Premier Gold Mining Co.—No. 1 power house at this property which was destroyed recently by fire is already being rebuilt and officials state that within two or three months, operations may be resumed at the mine on a normal basis. Meantime, production is being continued on a curtailed basis by use of such power as is still available from the smaller generating plants. Fire loss was covered by insurance.

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Sylvanite Gold Mines.—Directors of Sylvanite Gold Mines have announced the declaration of the regular quarterly dividend of five per cent on the outstanding capital stock of the company, payable Dec. 31, 1934, to shareholders of record at the close of business Nov. 20, 1934.

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Viking Gold Mines—Property is responding well to development, according to O. O. Thompson, engineer, and favorable results on Fairview Amalgamated, adjoining, have had a good influence. Drifting on No. 2 vein has disclosed an ore shoot 72 ft. long, according to Thompson.

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Western Consolidated Oils. — A meeting of this company is called for November 21, in Edmonton, to consider a by-law already passed by the directors, authorizing a sale of the assets to Hughalta Oils Ltd. or some to other company satisfactory to the directors on a basis of one share in the new company for five or six shares of Western Consolidated.

August Zinc Output

Zinc production in Canada established a new high monthly record in August when 30,028,555 pounds were produced. This represents an increase of almost 8,000,000 pounds over the output in July which amounted to 22,186,356 pounds. In August, 1933, 16,575,687 pounds were produced. Canadian production of zinc in the first eight months of 1934 as compared with the corresponding period of 1933 recorded an increase of 63.7 per cent. World output of zinc advanced 4.4 per cent in the month of August, the month's total being 104,095 tons.

British Indians Hoard Many Billions of Silver

Finger Rings, Toe Rings, Bangles and Jewellery Worn by Women Account for Millions of Ounces

Silver and gold in India's hoards consist of articles of personal adornment, coin and bullion. Numerous large hoards belonging to princes, landlords, rich merchant families, and the like, have in some cases been kept intact for generations. But hoarded metal is not limited to the holdings of the wealthy. The great masses of India, merchants and agriculturists, including even the very poor, all hold some silver, and their holdings form a major part of India's hoards. What their total is, no one knows. A few years ago, E. Kann of Shanghai, estimated India's stock of silver at 4,300,000,000 fine ounces, of which is undoubtedly lost and will never be seen again.

Why do Indians hoard silver and gold? U. S. Trade Commissioner Bliss has stated four principal reasons—hereditary custom, social organization, seasonal harvest and inadequate banking facilities.

The consumption of silver and gold is merely one phase of the hoarding of metal in India. Only about 10 per cent of the hoarded silver is believed to be in the form of bullion (commercial bars and sections of bars) and an unknown, but also small fraction, in the form of coin. The major part of the hoards is in the form of jewellery. Silver and gold are used in the manufacture of wire, thread and cloth—little, if any, of which is ever recovered—and in the manufacture of necklaces, anklets, bracelets, finger rings, toe rings, earrings, nose rings, bangles and the like, worn chiefly by the women. Nine-tenths of the bullion importation of India, states Mr. Bliss, eventually becomes jewellery, and in such form it is a melting pot whenever economic pressure dictates. Melted ornaments cast into bars come on the market as "country" silver. While such silver has been known to form as much as 80 per cent of the market supply in Bombay, it usually forms a much smaller percentage. It is from sources such as these that India obtains most of the gold and silver it from time to time exports to the Occident.

U. S. THOROUGH IN PROBING SALE OF TECK STOCK

Demand Full Dress Report From All Members of Exchange

The United States securities and Exchange Commission is leaving no stone unturned in its investigation into the stock activity of Teck Hughes Gold Mining Co., latest reports from across the border indicate.

A full dress report from all members of the New York Stock Exchange, on which a number of Canadian brokers are represented, as to their dealings in this stock has been demanded by the commission, and is now to hand. This enormous mass of evidence will be thoroughly gone into, in an effort to find out why the stock broke so sensationally prior to the announcement of a cut in dividends. This is the first full dress investigation conducted by the commission, it is understood.

It will be some time before the evidence contained in these audits will be available. But The Financial Post learns that the New York authorities are in touch with officials of the Ontario Securities Commission, which recently concluded its investigation into Teck Hughes and censured two directors for unloading their stock before the public was given official word of the dividend cut, and the position at the mine.

Enlist Secret Service?

Indications at present are that the New York investigation will go much further than is Toronto counterpart. The Ontario commission did not delve more deeply into the brokerage angle of the investigation, because it was evident, from the first day of the inquiry that the major selling pressure came from United States, and the Ontario Commission had no powers to investigate the activities of brokers in that country. In addition to this, it is an extremely lengthy and costly job to conduct a full dress investigation into such a matter as was learned at the time of the so-called "bucket shop" investigation.

In addition to demanding a full report from brokers, it is unofficially reported that the United States commission has enlisted the services of the United States secret Service, in an effort to find out if any selling took place by any director through other parties,' in whose name the stock would be held.

Delhi Temagami Gold Plans to Diamond Drill

Owning a group of seven claims, or about 280 acres on the west side of Wakimika Lake in Delhi township, Temagami Forest Reserve, Delhi (Temagami) Gold Mines has just been formed with an authorized capitalization of $3,000,000. Over the signature of G. D. Stumf, one of the directors, an announcement has been made which states that from $50,000 to $60,000 has been expended on the Delhi property. A tunnel of 240 ft. is driven from the north side of the mountain, which is intended to cut the ore body at depth of 100 ft. Also a second tunnel of 60 ft. is driven along the vein from the east side, ascending from this point to the top of the mountain. Mr. Stumf states that the vein has been extensively trenched for a distance of approximately 250 ft., running east and west, along which 12 test pits have been sunk to depths of from 8 to 15 feet. One of the veins shows a width of from 12 to 15 ft. and has been traced for a distance of over 2,000 ft.

It is stated that plans for diamond drilling are under way to test the ore body at depth. Stripping and further development work will be done on several other quartz veins found on the property. The officers of the company are as follows: Louis J. Lahay, president; Henry Bausch, secretary-treasurer and mine manager of Toronto; Dr. W. A. Hall, Walkerton; G. D. Stumf, Toronto; and K. C. MacLaurin, Belleville, directors.

TURNER INVESTORS PLAN TO PROTEST LATEST ROYALTY

Starting Jan. 1, Provincial Gov't to Exact 10 p.c. on Crown Leases

From Our Own Correspondent

CALGARY.—Ire of independent oil operators over the decision of the provincial government to enforce more rigid gas conservation in the field was just subsiding last week when further news emanating from the Alberta capital again aroused their resentment.

Commencing January 1, 1935, the provincial government will exact a ten per cent royalty on oil lands leased by the Crown. Previously the royalty has been five per cent. In making the announcement Premier Reid, of Alberta, stated that the natural resources agreement permitted the increase in royalty. Further, he said, the regulations also provided for a royalty of 12½ per cent on oil production in the province in another five years time.

Plan to Protest

Shareholders in Turner Valley oil companies through their association, the Oil and Gas Shareholders Protective Association, plan to make a protest concerning the royalty increase. Many of them, it is said, have waited for years for dividends and just as the opening of the south valley has raised their hopes of financial returns, the provincial government plans to take a liberal share of the profits.

Official figures just released by the provincial department of lands and mines show that 99,363 barrels of naphtha and crude oil were produced in Turner Valley in September. Red Coulee produced 1,391 barrels and Wainwright 1,284 bringing the total for the field up to 102,038 barrels for the month.

Following is the official government report on Turner Valley production in September:

Turner Valley	Barrels
Advance	983
Associated	353
Baltac	113
Century	2,062e
Dalhousie	735
Foothills	2,252
Freehold Marjon	5,199
Home	1,046
Longview	685
Lowery	269
Merland	5,059
Royalite	38,684a
Southwest	185
Anaconda	3,961
East Crest	897
Hargal	72e
Highwood-Sarcee	10,790
Homestead	132
Hylo	1,745
Marjon	2,006e
Mercury	3,746
Midfield	11
Miracle	6,048
Model	5,104
New McDougall-Segur	552
Pacalta	969b
Regent (Can. Southern)	52
Richfield	114
Spooner	1,002
Sterling Royalties	6,032
Structure Wayne	220
Widney	280
Total	99,363
Red Coulee	
O'Neil	437
Vanalta	954
Wainwright	
British Wainwright	162b
Edalta	84b
Edmonton-Wainwright	60b
Gold Standard	56
Hargal	288b
Onalta	341
Sasko-Wainwright	293
Total	1,284
Recapitulation	
Turner Valley	99,363
Red Coulee	1,391
Wainwright	1,284
Total	102,038

a Includes all wells owned by Royalite and all recoveries at absorption plant
b Includes correction from previous month.
e Estimated, and will be corrected subsequently.

World Silver Production

	World's Output fine ounces	Mexico's Output fine ounces	United States Output fine ounces	Peru's Output fine ounces	Canada's Output fine ounces
1920	174,212,686	66,662,253	55,361,573	9,196,282	13,330,357
1921	171,285,542	64,465,347	53,052,441	10,008,553	13,543,198
1922	209,815,448	81,076,899	56,212,054	13,169,765	18,626,439
1923	246,009,534	90,859,083	73,295,810	18,654,793	18,601,744
1924	239,484,793	91,486,136	65,366,840	18,717,087	19,736,323
1925	245,213,993	92,885,465	66,106,922	19,917,439	20,228,988
1926	253,795,166	98,291,166	62,672,953	21,499,798	22,371,924
1927	251,096,555	104,573,919	60,394,199	18,295,408	22,736,698
1928	257,925,154	106,537,307	58,426,004	21,607,693	21,936,407
1929	260,970,029	108,871,442	61,233,321	21,495,169	23,143,261
1930	247,000,000	105,204,059	50,627,243	14,372,593	26,443,823
1931	198,645,309	86,066,000	31,580,000	8,794,407	20,562,247
1932	169,282,093	69,301,000	24,762,000	6,735,039	18,347,907
1933	164,699,846	68,109,000	20,955,000	7,000,000	15,201,285

Debasing Silver Groat Gave Henry VIII Nickname

The silver four-penny piece known as a groat, is frequently encountered in English fiction.

Henry VIII gained the nickname "Old Copper Nose" because he debased the silver in the groat and other coins to such an extent that the monarch's nose showed a copper color when the silver coating wore off the coins.

Silver-filtered Water Destroys Bacteria

A new water filter is now being used in Europe by adding silver chloride to molding clay and baking.

This filter has been tested by the Pasteur Institute of Paris and found to give the filtered water the power to destroy living bacteria. This power is claimed to be the result of ionization of the water.

CONIAURUM

From time to time we prepare summaries of the more active mining companies. Our latest summary of Coniaurum Mines Limited is now ready for distribution and we shall be glad to mail copies. — Reports on other companies are available on request.

BRANCHES
HAMILTON
BRANTFORD
ST. CATHARINES

DRAPER DOBIE & CO.
330 Bay St., Toronto
Adelaide 8171

August Lead Production

Canada produced 30,276,573 pounds of lead in the month of August. This is a slight increase over the previous month when 30,140,043 pounds were produced. The output during the eight months ended August 31 totalled 219,412,065 pounds or 26.2 per cent above the production in the corresponding months of 1933. World production of refined lead was 114,158 tons, a decrease of 7.3 per cent below the July output of 123,176 tons.

Mining Stock Quotations

Week Ending November 12.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Nov. 5 (or last)	High for week	Low for week	Close Nov.12
1	.06	.00½	Aconda	3,000	.00½	.00½	.00½	.00½
No	.33	.08½	Aldermac	21,800	.10	.12	.08½	.09
1	.10	.01½	Alexandria	34,500	.01½	.02	.01½	.01½
No	.18	.03	Algoma	21,050	.03	.05½	.03½	.04½
1	.04	.01	Amity Copper	16,500	.01	.01½	.01	.01
No	4.51	2.00	Anglo-Huronian	3,138	4.35	4.35	4.15	4.30
1	.08½	.02	Area	500	.02½	.02½	.02½	.02½
No	.20	.02	Arno	500	.02	.01½	.01½	.01½
1	1.25	.17½	Ashley	10,200	.30	.27	.17½	.19
1	.18	.03½	Astoria Rouyn	10,900	.04	.04½	.03½	.03½
1	.60	.04	Bagamac	24,100	.05½	.05½	.05	.05½
1	.04½	.00½	Baldwin	14,000	.01½	.01½	.01½	.01½
1	.22	.08	Barry Hollinger	30,750	.09	.10	.08½	.09
1	2.05	.65	Base Metals	8,275	.76	.90	.75	.75½
1	.91	.16	B.E.A.R.	60,100	.22	.25	.22	.23
No	2.45	1.90	Beattie Gold	9,788	2.10	2.21	2.10	2.15
1	.51	.26½	Big Missouri	7,175	.34	.35	.32	.35
1	.75	.23	Bobjo	33,319	.36½	.38	.34½	.36
1	3.72	1.70	Bradian	1,880	2.10	2.30	2.15	2.30
No	17.00	9.90	Bralorne	5,385	13.25	13.75	13.00	13.35
1	1.50	.10	Brazil Gold	......	.15	.....	.....	.....
1	.16	.02	Brett Trethewey	7,700	.02	.03	.02	.03
50c	1.41	.16	Bridge River Ex.	41,300	.19	.32	.21	.27
1	.09	.01½	Brownlee	16,564	.02½	.02	.02	.02
1	.02½	.00½	Buckingham	1,000	.00½	.00½	.00½	.00½
1	3.98	1.90	Buffalo Ankerite	3,550	3.10	3.18	3.05	3.10
No	.14	.02	Buffalo Can.	4,000	.02	.03	.02½	.02½
5	37.50	23.50	Bulolo Gold	1,150	34.00	35.00	34.00	35.00
No	.11	.03	Bunker Hill	4,140	.04½	.05	.04	.05
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	200	.04	.05	.05	.05
1	.20	.03	Can. Kirkland	49,200	.04	.04½	.03½	.04½
No	.78	.38	Can. Malartic	8,350	.59	.59	.56	.56
1	.02½	.00½	Capital Rouyn	1,500	.00½	.00½	.00½	.00½
1	2.85	1.00	Cariboo Gold	2,000	1.15	1.25	1.11	1.24
1	.09	.01	Cartier Malartic	1,000	.03½	.03½	.03½	.03½
1	.81½	.49	Castle Trethewey	78,640	.73	.77½	.72	.76
1	.16	.07	Cen. Manitoba	10,000	.07	.09	.07½	.08½
1	1.25	.54	Cen. Patricia	47,800	.98	1.09	.98	1.02
No	.16½	.05½	Chibougamau Pros.	54,900	.07½	.08½	.07	.07½
No	.15½	.04½	Church. M. & Mill	3,000	.05	.05½	.05	.05
No	.14	.02½	Clericy	8,375	.02½	.03	.02½	.02½
1	.03½	.00½	Clifton Cons.	......	.00½	.....	.....	.....
5	5.75	2.50	Coast Copper	500	3.00	2.50	2.50	2.50
1	.06½	.02	Cobalt Contact	23,000	.02½	.03½	.03	.03½
No	.94½	.20	Columario	41,600	.22	.28	.22	.26
5	2.80	1.35	Coniagas	1,450	2.70	2.80	2.60	2.60
No	2.05	.97	Coniaurum	27,748	1.67	2.05	1.65	1.81
25	170.25	118.00	Cons. Smelters	1,327	130.50	139.50	128.50	138.00
25c	.46	.31	Crown Cons.	56,650	.45	.46	.44½	.46
No	45.50	32.00	Dome Mines	1,010	38.75	39.75	38.90	39.50
1	.14	.08	Dom. Explorers	800	.10	.11	.09	.09½
1	.02½	.00½	Dominion Kirk	12,500	.01½	.01½	.01½	.01½
1	.17½	.01	Duparquet	47,810	.09	.09	.08	.08½
1	4.35	1.58	Eldorado	15,750	1.80	1.96	1.74	1.87
No	4.15	3.00	Falconbridge	1,895	3.45	3.45	3.40	3.40
1	.11½	.01½	Federal	5,000	.02½	.03	.02½	.03
No	.07	.02	Gilbec	19,300	.02½	.03	.02½	.03
No	4.30	.70	God's Lake	81,155	2.07	2.34	1.78	2.18
1	.30	.08	Goldale	17,025	.18	.22	.18	.20
50c	.47	.28½	Gold Belt	500	.28½	.30	.30	.30
10	.57	.13	Goldfield	4,000	.13½	.14	.14	.14
1	.43	.07½	Goodfish	2,100	.12	.11	.10	.11
1	.18½	.02½	Graham Bosquet	15,500	.03	.05	.02½	.04
1	1.09	.25	Granada Gold	23,650	.29½	.31	.29	.29½
No	.53	.13	Grandora	......	.14	.....	.....	.....
1	1.22	.41	Greene Stabell	8,325	.46½	.46½	.46	.46
1	.18	.05	Grozelle	2,000	.06	.05	.05	.05
1	.48	.05	Grull Wihksne	......	.05	.....	.....	.....
1	2.50	.72	Gunnar Gold	131,645	.89	.97	.72	.76
1	.53½	.06½	Halcrow Swayze	7,800	.07½	.08	.06½	.06½
1	.15	.03½	Harker	24,600	.07	.08	.07½	.07½
1	.02½	.00½	Hilltop	7,000	.00½	.00½	.00½	.00½
5	21.65	11.40	Hollinger	12,437	20.00	21.30	19.80	20.50
1	1.40	.93	Howey Gold	13,550	1.13	1.18	1.11	1.12
No	15.00	9.00	Hudson Bay	1,699	11.50	12.55	11.75	12.25
1	14.25	10.45	Inter. Mining	......	11.75	.....	.....	.....
1	6.25	4.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.00	21.15	Int. Nickel	11,453	22.37	23.37	22.25	23.00
1	.48	.26	J. M. Cons. Gold	21,440	.27	.30	.27	.29
1	.03½	.00½	Keora Mines	3,700	.01	.01½	.01	.01
1	.39½	.12	Kirkland Cons.	11,300	.16½	.17	.15	.16
1	.73½	.33	Kirk. Hud. Bay	300	.35	.35	.33	.33
1	.05	.00½	Kirk. Hunton	6,500	.00½	.01	.00½	.00½
1	.79½	.29	Kirkland Lake	15,450	.59	.64	.60	.64
1	.40½	.15	Kirk. Townsite	700	.17	.18	.18	.18
20c	.02½	.00½	Koot. Florence	1,500	.00½	.01	.01	.01
1	.23	.01½	Lakeland	5,000	.02	.02	.01½	.01½
No	.18	.03	Lake Maron	87,400	.03	.04½	.03½	.04½
1	58.50	42.00	Lake Shore	2,180	55.00	55.75	54.75	54.75
1	.48	.05½	Lamaque Contact	18,500	.06	.06	.05½	.06
1	.26	.03	Lebel Oro	42,400	.03½	.04	.03½	.03½
1	.22	.07½	Lee Gold	5,505	.08	.09	.07½	.07½
No	7.75	4.05	Little Long Lac	30,196	6.00	5.90	5.20	5.65
1	3.05	1.85	Macassa	14,270	2.76	2.78	2.70	2.73
1	.08½	.01½	Malrobic	21,600	.02	.02½	.02	.02
No	.17	.05	Mandy	1,000	.09	.08½	.08	.08
No	.40	.18	Man. & Eastern	19,500	.23	.24½	.21½	.21½
1	1.00	.07	Maple Leaf	58,850	.09½	.12½	.08	.12
5	50.00	39.25	McIntyre	1,545	43.00	44.10	43.00	44.00
1	1.74	1.01	McKenzie Red L.	26,383	1.34	1.38	1.30	1.32
1	.75	.50	McKinley	116	.71	.70	.70	.70
No	.06½	.01½	McLeod River	40,400	.01½	.02	.01½	.01½
1	.75	.34	McMillan	46,950	.41	.41	.34	.35
No	.55½	.25	McWatters	23,150	.44	.45	.42	.43½
1	1.21	.30	McVittie	17,600	.32½	.33	.30	.30
5	1.50	.50	Mentor Exp. & Dev.	......	.50	.....	.....	.....
No	2.47	1.25	Mining Corp.	778	1.25	1.45	1.40	1.42
No	.21	.16½	Minto Mines	......	.16½	.....	.....	.....
1	.08½	.02½	Moffatt Hall	16,100	.03½	.03½	.02½	.03½
1	.20	.08	Moneta	5,000	.10	.10	.10	.10
1	.04	.01	Murphy	24,500	.01	.01½	.01½	.01½
No	.09½	.02	Newbec	6,500	.02½	.02½	.02	.02
1	.06½	.03	Night-Hawk Penn.	4,000	.03	.03½	.03½	.03½
5	2.88	.200	Nipissing	3,250	2.65	2.75	2.61	2.66
No	45.05	30.55	Noranda	7,991	34.00	34.60	33.25	33.85
No	.54	.22	Nor. Canada	3,800	.29½	.29½	.28	.29½
1	.27	.06	Osisko	......	.07	.....	.....	.....
1	.72	.25	Parkhill	13,950	.31	.32	.26½	.26½
1	.06	.01½	Pawnee Kirk.	1,000	.01½	.01½	.01½	.01½
1	.31½	.16½	Paymaster	108,200	.19½	.24	.19½	.23½
1	1.40	.40	Pend Oreille	1,950	.46	.50	.45	.47
1	.06½	.01½	Peterson Cobalt	18,500	.02½	.03	.02½	.02½
1	1.95	1.26	Pickle Crow	46,830	1.76	1.92	1.75	1.90
1	14.15	10.30	Pioneer Gold B.C.	3,475	11.75	12.00	11.75	12.00
1	.08½	.01½	Porcupine Crown	2,200	.02½	.03	.02½	.03
1	.03	.00½	Potter Deal	......	.00½	.....	.....	.....
1	1.75	1.02	Premier Gold	10,100	1.21	1.30	1.22	1.28
1	.06½	.01½	Preston E. Dome	6,000	.02	.02	.01½	.01½
No	1.05	.30	Prospectors Air's.	38,900	.60	1.05	.60	.96
1	.70	.12	Quebec Gold	9,000	.14	.17	.14	.14
No	.15	.04	Quemont	......	.05½	.....	.....	.....
1	1.73	.27	Read Authier	26,515	.79	.95	.82	.90
1	1.29	.75	Reno Gold	30,660	1.03	1.17	1.02	1.11
1	.02½	.00½	Ribago	1,000	.00½	.00½	.00½	.00½
1	.05½	.01½	Ritchie	3,500	.01½	.01½	.01½	.01½
1	.11½	.01½	Robb Montbray	90,830	.02½	.04½	.02½	.04
1	6.30	1.75	San Antonio	9,864	4.40	4.70	4.40	4.50
1	1.43	.43	Sherritt Gordon	15,005	.48	.53	.48	.51
1	2.88	1.43	Siscoe	34,760	2.57	2.72	2.55	2.68
1	4.00	2.95	South Amer. Gold	800	3.15	3.40	3.35	3.35
1	.07½	.02½	South Keora	1,500	.04½	.02½	.02½	.02½
No	.26½	.02	South Tiblemont	17,600	.02½	.04	.02½	.02½
No	.46	.08½	Stadacona	32,175	.28½	.29	.27	.28
1	.65	.30	St. Anthony	22,020	.35	.35	.32	.33
No	2.00	1.00	Sudbury Basin	2,895	1.20	1.29	1.10	1.17
1	.16½	.05	Sudbury Contacts	2,000	.09	.09½	.09	.09
1	.11½	.00½	Sudbury Mines	176,150	.05½	.06½	.05½	.06½
1	.63	.44	Sullivan Cons.	16,522	.45	.52	.46	.51
1	3.20	1.29	Sylvanite	25,780	2.50	2.55	2.45	2.55
1	8.05	3.73	Teck Hughes	19,620	4.12	4.20	3.97	4.00
1	.59	.20	Thom Cadillac	123,070	.33	.33	.20	.24
1	.02	.01	Timiskaming	......	.01½	.....	.....	.....
1	.76	.20	Towagmac	2,400	.25	.27	.25	.25
1	.85	.24	Treadwell	......	.24	.....	.....	.....
No	.02½	.00½	Vacuum Gas	7,000	.00½	.01½	.01	.01½
No	1.12	.77	Ventures	25,652	.89	.98	.87	.92
1	.03½	.01½	Vickers	4,000	.01½	.01½	.01½	.01½
No	1.53	.50	Waite Amulet	2,044	.60	.69	.55	.60
50c	.50	.06	Wayside Cons.	138,700	.08½	.11	.08½	.11
No	.43	.14	White Eagle	53,900	.15	.16½	.14	.15½
1	.07½	.01½	White Lake	28,600	.01½	.03½	.02	.02½
1	.18	.05	Wiltsey Coughlan	11,900	.10½	.10	.08½	.08½
1	.20	.05	Wood Kirkland	2,000	.08½	.08	.07½	.08
No	10.25	6.75	Wright-Hargreaves	2,045	8.90	8.95	8.70	8.85
			OIL STOCKS					
No	.33	.16	Acme Gas & Oil	14,000	.17	.20	.18	.19
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	.70	Ajax	22,450	.85	1.00	.85	1.00
1	.25	.07	Alta. Pacific	600	.09	.07	.07	.07
No	.35	.10	Associated	1,600	.11	.12	.11	.11
No	.13	.03	Baltac	......	.04	.....	.....	.....
No	1.60	.55	Calgary & Ed.	250	.65	.75	.60	.61
1	.15	.04½	Calmont	400	.05	.05	.04½	.04½
No	.12	.03½	Common Pete	1,900	.04	.04	.03½	.04
No	.65	.20	Dalhousie	1,150	.25½	.25	.20	.20
No	.30	.08	East Crest	3,300	.10	.09	.08	.08
No	.58	.07	Erie Gas	1,600	.15	.16	.12	.12
No	.75	.20	Foothills	200	.20	.25	.20	.25
No	.25	.20	High Sarcee	......	.23½	.....	.....	.....
No	1.90	.45	Home	5,425	.60	.75	.60	.60
1	.25	.10	Homestead O. & G.	3,200	.10	.10	.10	.10
No	.44	.10	Lowery	......	.10	.....	.....	.....
No	.42	.18½	Merland	1,500	.20	.21	.18½	.18½
1	.48	.09	Midwal Oil	1,500	.09	.15	.10	.10
1	.33	.17	Model	1,100	.18	.19	.18	.18
5	.17½	.04½	Nordon	1,700	.05	.05	.04½	.04½
No	.09	.02½	Oil Selections	10,500	.02½	.03½	.02½	.03½
No	.34	.05	Olga Gas & Oil	80,500	.07	.08	.05	.08
1	1.10	.50	Petrol Oil & Gas	......	.50	.....	.....	.....
No	19.55	12.75	Royalite	1,920	15.75	16.00	15.00	15.50
1	.13	.04	Sarnia Oil	4,700	.04½	.05	.04½	.04½
No	.17	.07	South West Pete.	......	.15	.....	.....	.....
No	.90	.81	Texas Canadian	1,700	.85	.85	.81	.81

VANCOUVER STOCK EXCHANGE
(Transaction for Week to November 10.)

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Nov. 2 (or last)	High for week	Low for week	Close Nov.10
1	.09½	.01½	Alexandria	......	.01	.....	.....	.....
No	.20	.15	Atlin Pacific	10,200	.15½	.18	.15	.17½
25c	.03½	.01	Bayview	......	.01½	.....	.....	.....
20c	.09½	.03	Beaver Silver	12,825	.06	.07½	.06	.07½
25c	.03½	.01	Bluebird	......	.01	.....	.....	.....
1	3.70	1.65	Bradian Gold	2,760	2.10	2.30	2.10	2.25
No	16.95	9.85	Bralorne	3,454	13.00	13.75	13.00	13.00
1	.48	.06	Bridge River Cons.	58,400	.07	.11	.07½	.09
50c	1.40	.18	Bridge River Exp.	88,800	.19	.31	.20	.27
50c	.27	.15	B. R. Mountain Gold	......	.15	.....	.....	.....
1	1.78	.28	B. C. Nickel	98,250	.46	.50	.45	.48
1	1.25	.90	B. C. Silver	......	1.00	.....	.....	.....
50c	.29	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.06½	Canadian Rand	15,500	.07	.08	.06½	.06½
1	2.90	1.00	Cariboo Gold	6,695	1.10	1.25	1.14	1.22
No	12.60	8.75	Coast Breweries	318	11.00	11.00	10.75	11.00
1	.51	.18	Congress Gold	37,900	.22	.28	.22	.27
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	6,000	.01½	.01½	.01½	.01½
No	2.07	.25	Dentonia	23,400	.39	.49	.39	.47
No	.07½	.03	Dictator	......	.03	.....	.....	.....
1	.45	.14	Dunwell	3,600	.16	.19	.17	.17
No	.44½	.12	Fairview Amal.	13,700	.16	.23	.18	.20
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.20	George Copper	......	.20	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01	Georgia River	9,500	.01	.01	.01	.01
50c	.08	.01	Glacier Creek	15,000	.06	.07	.06	.06½
1	.63	.28	Golconda	10,200	.28	.35	.28	.35
5c	.20	.11	Golconda Ex.	......	.11	.....	.....	.....
50c	.63½	.25	Gold Belt	8,050	.27	.34	.27	.32
50c	.51	.11	Gold Mountain	1,000	.14	.17	.14	.16
50c	.06	.01½	Grandview	3,400	.02	.01½	.01½	.01½
No	.38	.16	Grange Mines	20,350	.24	.26	.24	.25
1	.50	.04	Grull Wihksne	1,500	.04	.05	.04	.04
No	.16	.04	Haida Gold	1,500	.05	.05	.04½	.05
25c	5.90	5.25	Hecla	......	5.90	.....	.....	.....
50c	.34	.15	Hedley Amal.	16,800	.15	.20	.15	.19
No	.29	.07	Hedley Sterling	200	.08	.07	.07	.07
1	.09½	.02½	Hercules Cons.	100,500	.02½	.03	.02½	.02½
No	.28	.07	Home Gold	11,960	.11	.12	.11	.11½
1	.04	.01½	Independence	......	.01½	.....	.....	.....
1	.04	.01½	Indian Mines	......	.01½	.....	.....	.....
1	.21	.10	Inter'l Coal	......	.20	.....	.....	.....
1	.42	.20	Jack Waite	......	.20	.....	.....	.....
50c	.65	.19	Kootenay Belle	17,200	.47½	.52	.47½	.50½
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	2,000	.00½	.01½	.01½	.01½
10c	.06	.02	Lucky Jim	......	.02	.....	.....	.....
No	.40	.11	Mak Siccar	7,200	.21	.24	.20	.20
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.14	.09½	McGillivray Creek	......	.13	.....	.....	.....
10c	.33	.06½	Meridian Min.	9,700	.10	.11½	.10	.11½
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	73,200	.17	.20½	.17½	.19
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.11½	Morning Star	27,550	.12½	.15	.13	.15
1	.05½	.00½	Morton Woolsey	7,200	.01	.01½	.01	.01
50c	.09	.03	National Silver	12,600	.03½	.04½	.03½	.03½
50c	1.36	.10	Nicola	20,880	.15	.16	.10	.14
50c	.17	.06½	Noble Five	24,150	.07	.08	.07	.07
1	.54	.12½	Pavilion	......	.45	.....	.....	.....
No	.10½	.05	Pilot Gold	7,000	.06	.07	.05½	.05½
1	14.25	10.50	Pioneer Gold	2,380	11.25	12.20	11.40	11.75
50c	.18	.06½	Porter Idaho	11,222	.08½	.08½	.07½	.08½
No	.02½	.00½	Premier Border	8,000	.00½	.00½	.00½	.00½
1	.06	.03	Quatsino Copper	......	.03	.....	.....	.....
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	......	.10	.....	.....	.....
1	1.25	.75	Reno Gold	34,350	.98½	1.16	.98	1.14
1	.15	.04	Reward Mining	......	.04	.....	.....	.....
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.02	Ruth Hope	......	.03	.....	.....	.....
1	.55	.25	Sally Mines	6,600	.28	.40	.27	.40
50c	.35	.10	Salmon Gold	6,600	.12	.12	.10½	.11½
1	.09	.04	Silverado	......	.05	.....	.....	.....
25c	.04½	.01½	Silvercrest	8,500	.01½	.02	.01½	.02
20c	.17	.04	Silversmith	5,500	.07	.07½	.07	.07
50c	.03½	.01	Snowflake	11,000	.01	.01	.01	.01
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.07	Standard Gold	......	.07	.....	.....	.....
10	10.25	4.75	Sunshine	125	9.50	10.25	10.25	10.25
1	.28	.15	Sunloch	200	.20	.15	.15	.15
No	1.20	.24	Taylor Bridge	10,900	.25	.30	.25	.27
1	.65	.18	Taylor Windfall	1,000	.18	.20	.18	.20
5	.25	.20	Toric	......	.20	.....	.....	.....
1	.10	.10	Utica Mines	......	.10	.....	.....	.....
50c	.35	.04½	United Empire	800	.12	.15	.14½	.15
No	3.50	.50	Vidette Gold	16,900	.60	.58	.50	.50
No	.21½	.04	Viking Gold	8,500	.04½	.05½	.04½	.05
No	.27½	.05	Waterloo Gold	9,200	.05	.07	.05½	.07
25c	.03	.01	Waverly Tangier	26,500	.01	.01½	.01	.01½
50c	.47	.06½	Wayside Cons.	109,200	.07½	.11½	.08	.10½
20c	.03½	.01½	Wellington	......	.01½	.....	.....	.....
No	.44	.16	White Eagle	......	.16	.....	.....	.....
1	.10½	.04	Whitewater	5,000	.04½	.05	.04½	.04½
			OIL STOCKS					
1	.15½	.06	Amalgamated	3,500	.06½	.07	.07	.07
1	.08	.03	Anaconda	2,000	.03	.03½	.03½	.03½
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03	Crow's Nest	47,500	.07	.07½	.06½	.07½
No	.09½	.01½	Devenish	1,000	.03	.01½	.01½	.01½
No	.01½	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.15½	.05	Freehold	4,000	.05½	.07	.06	.07
No	.13	.04	Hargal	500	.04½	.04	.04	.04
No	.35	.12½	High Sarcee	6,000	.12½	.14½	.14	.14½
No	.05	.00½	Madison	......	.00½	.....	.....	.....
No	.35	.05	Marjon Oil	77,600	.10	.15	.10	.14½
No	.05½	.02	McD. Segur Ex.	......	.02	.....	.....	.....
1	.47	.25	McLeod	1,800	.34	.38	.34	.36
No	.22	.10	Mercury	18,825	.12	.14	.11	.12
No	.22	.10	Mill City Pete.	1,000	.11	.10½	.10½	.10½
No	.18	.04½	Okalta	......	.04½	.....	.....	.....
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	2,000	.04½	.05	.05	.05
1	.75	.14	Ranchmen's	300	.55	.60	.59	.60
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	......	.25	.....	.....	.....
No	.11½	.03½	United	1,800	.03½	.03½	.03½	.03½
No	.50	.07	Vanalta	3,900	.08½	.09½	.07	.07
1	.20	.10	Vulcan	......	.14	.....	.....	.....
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	4.54
Ajax Oil	8c.	8.00	McKinley Mines†	2½c.	.....
Anglo-Huronian†	40c.	.....	Mercury Oils‡	4c.	.....
Bralorne	60c.+20c.	4.49	Merland Oils‡	5c.	.....
Buff. Ankerite	10c.	3.22	Model Oils	3c.	.....
Bulolo Gold‡	90c.	.....	Nipissing	12½c.	.....
Coast Brew.	92c.	8.36	Noranda‡	$1	.....
Coniagas†	12½c.	.....	Petrol Oil†	3c.	.....
Cons. Smelters	1.00	.....	Premier	12c.	9.37
Dome Mines	$2+$1.00	5.06	Pioneer, B.C.	80c.	6.66
Falconbridge	10c.	.....	Reno	3c.	.....
Hollinger	65c.+65c.	3.17	Royalite	50c.	3.22
Howe Sound	$3	.....	San Antonio†	5c.	.....
Howey Gold	10c.	.....	Siscoe	12+5c.	4.47
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Int. Nickel c.	15c.	.....	Sylvanite	20c.	7.84
Kirk. Lake†	3c.	4.68	Teck-Hughes	40c.	10.00
Lake Shore	$2+$1	3.65	Toburn	8c.	.....
Macassa†	5c.	1.83	Wright-Har.	40+20c.	4.52

‡Interim. †Initial.

Unlisted Mining Stocks

November 13, 1934

	Bid	Asked		Bid	Asked
Algoma Summit	.55	.70	Kirk. Gold Belt	.14	.16
Afton	..	.17	Keyroc Gold	..	.06
Alschbach	..	.06	La Roche	..	.16
Ardeen	.13	.15	Lafayette L. Lac	.04	.06
Arntfield Gold	.60	.70	Long Lac Lagoon	.11	.14
Arntfield Synd.	.60	.65	Lamaque Gold	1.15	1.25
Atnel Mines	.28	.31	Lake Caswell	.40	.45
Bailor Gold	..	.04	Langmuir L. Lac	..	.35
Bankfield Gold	.69	.72	Long Lac Synd.	..	.02
Bathurst	.04	.05	McFarlane L. Lac	..	.10
Ballantyne L. Lac	..	.28	MacL. Cockshutt	.22	.24
Brit. Matachewan	.02	.03	Magnet Lake	.16	.18
Bur-Ley Long Lac	..	.20½	Marbuan	.63	.67
Bidgood Cons.	..	.02	Matachewan Can.	.14½	.15½
Bosquet Gold	.16	.18	Metals Devel.	..	.06
Brennan Kenty	..	.45	Minefinders	1.00	3.00
Can. Pandora	.12	.14	Montague Gold	3.00	4.00
Can. Radium	.11	.15	Murwood	.28	.32
Canusa Mining	.05	.07	Mosher Gold	.08	.10
Casey Summit	..	.30	North Shores	.09	.11
Cent. Porc.	..	.33	North Tiblemont	.10	.11
Cochenour Will.	90.00	110.00	Payore Mines	.32	.35
Columario (old)	.16	.18	Oklend	..	.40
Continental Kirk.	..	.05	Pontiac Rouyn	.25	.35
Crown Reserve	.02	.03½	Queen Lebel	.08	.11
Cuniptau	.26	.31	Red L. Goldshore	.13	.15
Dennison Cop.	..	.03	Rice Lake	..	.07
Dorval Siscoe	..	.20	Roche Long Lac	.15	.16½
Dunlop Cons.	.01½	.02	Sakoose	.32	.35
El Bonanza	.13	.15	Scullers Gold	12.25	13.00
Forty-Four Gold	13.25	14.25	Shawkey	.32	.35
Four Nations	...	.10	Sigma	..	2.38
Francoeur	..	.12	Smith Cobalt	..	.13
Frontier R. Lake	..	.15	Smelter Gold	.13	.15
Goldside	.17	.18½	Springer Sturgeon	..	.16
Gold Eagle	.33	.36	Sturgeon Aurora	4.00	5.00
Gr. Bear Lake M.	.23	..	Sturgeon River	..	5.00
Gabrielle	.64	.68	Tashota Goldfield	.44	.50
Hardrock Un.	45.00	55.00	Tiblemont Island	.65	.70
Hardrock	..	.50	Toburn	1.23	1.26
Harkness Hayes	.44	.47	Vanguard L. Lac	.27	.30
Hislop	.21	.23	Wendigo	..	.78
Herbin Lake Un.	16.50	18.50	Witch Bay Gold	..	5.50
Hudson Pat	.15	.17	Wells L. Lac	.13½	.15
Jellicoe	.09	.11	West-Side L. Lac	..	.20
Johnson Nip.	.15	.16½	Wingold	.26	.28
Karl Springer	2.25	3.00	Young David	.18	.21
Kenogamisis	.10	.15	Ymir Y. Gold	..	.44

Source of quotations on application. Not guaranteed.

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Long Rope Made

A wire rope cable six miles long was recently completed in a Vancouver factory for the Coalmont Collieries Company's aerial tram at Coalmont, B.C.

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2 OUNCE TIN - 45c.

NORTHERN EMPIRE WILL BOOST MILL TO 150 TONS DAILY

Expect Increase From 85 Tons Before End of Month

From Our Own Correspondent

SUDBURY.—With millheads averaging about four-tenths of an ounce of gold per ton, or $15 at the present price of the precious metal, daily tonnage at the mill of Northern Empire Mines in the Beardmore section, will shortly be increased from 85 to 150, according to official statement. It is expected the advance will be effected before the end of the month.

Shaft deepening is proceeding steadily, and it is intended to open up operations at the 600-ft. level, with the prospect of going still deeper after the first of the year.

The property is controlled by Newmont Mining Corp. of New York, through its subsidiary, Empire Star Mines Co., California. The owners have introduced cyanidation to the mill practice, and this is to supersede the present amalgamation recovery. The Newmonts, who have had long and successful experience with stamps in California, have been using these at Beardmore. They are in future to be used for secondary crushing.

Mining Concerns Newly Formed

Albert Mayland Mines—Alta. Incorp., Oct. 10; H.O., Calgary, Alta.; Author. capit., 3,000,000 shs., n.p.v.

Bluefields Mining Co. Ltd.—Dom. Incorp., Oct. 17; H.O., Montreal; Author. capit., 100,000 shs., n.p.v.

Clark Gold Mines.—Que. Incorp., Oct. 11; H.O., Montreal; Author. Capit., $2,000,000, par $1.

David Mines Ltd.—Que. Incorp., Oct. 10; H.O., Montreal; Author. Capit., $2,000,000, par $1.

Inspiration Mining and Development Co., Ltd.—Que. Incorp., Oct. 3; H.O., Amos, Que.; Author. capit., $3,000,000, par $1.

International Mining Corp. (Canada) Ltd.—Dom. Incorp., Oct. 12; H. O., Montreal; Author. capit., 10,000 shs., n.p.v.

Jackpine Sturgeon Gold Syndicate Ltd.—Ont. Incorp., Oct. 5; H.O., Toronto; Author. capit., 100,000 shs., n.p.v.

Jaroba Sturgeon Gold Mines—Ont. Incorp., Oct. 2; H.O., Toronto; Author. capit., $3,000,000, par $1.

Kinghorn Sturgeon Mines. — Ont. Incorp., Oct. 12; H.O., Toronto; Author. capit., $3,500,000.

Knox Sturgeon River Mines.—Ont. Incorp., Oct. 11; H.O., Toronto; Author. capit., $3,000,000 shs., n.p.v.

Lake Expanse Mines.—Que. Incorp., Sept. 26; H.O., Montreal; Author. capit., $20,000, par $10.

Lake Hill Gold Mines—Que. Incorp., Oct. 16; H.O., Montreal; Author capita., $3,000,000, par $1.

MacAndrew Red Lake Gold Mines—Ont. Incorp., Oct. 3; H.O., Toronto; Author. capit., $3,000,000, par $1.

MacJoe Sturgeon Gold Mines.—Ont. Incorp., Oct. 4; H.O., Toronto; Author. capit., $3,500,000, par [illegible].

Maloney, Sturgeon Gold Mines—Dom. Incorp., Oct. 9; H.O., Toronto; Author. capit., 3,000,000 shs., n.p.v.

Maple Leaf Royalties Ltd.—Dom. Incorp., Sept. 29; H.O., Calgary; Author. capit., 50,000 shs., n.p.v.

McNeil Longlac Gold Mines—Que. Incorp., Oct. 18; H.O., Windsor, Ont.; Author. capit., 40,000 shs., n.p.v.

Mining Enterprises, Ltd.—Que. Incorp., Oct. 19; H.O., Montreal; Author. capit., $75,000, par $1.

Neda Gold Mines — Ont. Incorp., Oct. 16; H.O., Toronto; Author. capit., $3,000,000, par $1.

Northarea Mining Syndicate, Ltd.—Ont Incorp., Oct. 17; H.O., Toronto; Author. capit., 10,000 shs., n.p.v.

Otter Lake Gold Syndicate, Ltd.—Ont. Incorp., Oct. 19, 1934; H.O., Toronto; Author. capit., $150,000, par $15.

Ray-Lorr Gold Mines — Que. Incorp., Oct. 18; H.O., Rouyn, Que.; Author. capit., $99,000, par $5.

Simmons Mining Company Ltd.—Que. Incorp., Oct. 10; H.O., Montreal; Author capit., $99,000, par $10.

Springbrook Sturgeon Gold Mines.—Ont. Incorp., Oct. 10; H.O., Toronto; Author. capit., $3,000,000, par $1.

Strathy Explorers, Ltd.—Ont. Incorp., Oct. 17; H.O., Toronto; Author. capit., 40,000 shs., n.p.v.

Sturgeon Aurora Mines—Ont. Incorp., Oct. 19; H.O., Toronto; Author. capit., 100,000 shs., n.p.v.

Sturgeon River Gold Basin Syndicate Ltd. — Ont. Incorp., Oct. 3; H.O., Toronto; Author. capit., 10,000 shs., n.p.v.

Tylac Sturgeon Gold Mines—Ont. Incorp., Oct. 15; H.O., Toronto; Author. capit., $1,000,000, par $1.

Universal Exploration Syndicate Ltd.—Ont. Incorp., Oct. 12; H.O., Toronto; Author. capit., 20,000 shs., n.p.v.

Yellow Metal Syndicate, Ltd. — Ont. Incorp., Oct. 17; H.O., Toronto; Author. capit., 10,000 shs., n.p.v.

Merged

Fairburn Sturgeon River Gold Mines. — Ont. Incorp., August 17; name changed from Dime Long Lac Mines Ltd. by order issued Oct. 5, 1934.

Sturgeon Reserve Island Gold Mines Ltd.—Name changed from Reserve Island Gold Mines by supplementary letters patent issued Oct. 17.

Wainwright West Oils Ltd.—Supplementary letters patent issued Oct. 12, 1934, changing the name of the company to Texas-Canadian Oil Corp., Ltd. Author. capit., 1,000,000 shs., n.p.v.

Charter Surrendered

Metonic Mines—Ont. Incorp., May 5, 1933; charter surrendered October 22, 1934.

The Start of a Mine

The above scene is typical of the first stage in making a mine. The workmen are starting to break the surface rock with hand steel, a process described in the accompanying article.

The Story of a Mine. 2

Mines Like Humans

Are Sure Only of Death and Taxes—Youthful Handling Vital

A mine is almost human. It can only be sure of death and taxes. Essentially an individual, it resembles other mines in its broad outlines while possessing its own unique modifications. Its character and possibilities conceived by the prospector and only guessed while it is still young, are gradually disclosed as it grows to maturity. It responds to honest, experienced handling but its growth can be seriously impeded by misunderstanding and short-sighted exploitation.

But a mine is made as well as found. Any man at the head of a dividend payer could tell a story of mental headaches and long, hard fights to develop his mine and still retain it. The problem is one of men and money as well as mining.

Ore, rock containing sufficient mineral to pay a return to capital after its costs of exploitation have been met, is, of course, the prime essential to the life of a mine.

The first stage after staking is usually surface work. The outcrops of veins on surface are followed up by stripping and trenching, that is, exposing the rock by the removal of the overburden of earth. The possibilities of extensions of known orebodies on adjoining claims are similarly explored.

Test pits are sunk into the orebodies to shallow depths, usually between 10 and 25 ft., to explore the tendencies of the ore-bodies at depth. The dip, continuity and changes in width, etc., can be learnt to a limited extent by this method. The weathered rock is also removed in order to get a truer picture of the content of the vein.

Hard Work With Steel

However, the extent to which this type of development is possible is limited by the thickness of the overburden. Where it is very light, the cheapness and convenience of surface work permits a fairly thorough examination. Where it is relatively heavy, the vein will not be completely exposed, but will be checked by stripping at intervals. In some cases, where search is being directed to pick up the extension of a known ore-body and where the overburden is quite heavy, it may be cheaper and more efficient to explore by underground work.

Work at this stage is crude and laborious, typical of the youth of the mine. The muck or loose earth and broken rock, is removed by hand. The rock is broken by handsteeling, a process in which holes are drilled with steel drills and sledge hammers, loaded, tamped and shot.

Mining is carried on on surface by means of the glory hole or open cut, a term which explains itself. This process is occasionally used in the early stages of a mine in this country, but surface mining, like surface work, is limited, and as the mine matures, it becomes more convenient and efficient to mine by means of the shaft, cross-cut and drift.

Surface work is supplemented by diamond drilling. The diamond drill is a long, tubular drill with a hard steel collar studded with diamonds on the business end. The drill, usually with an inner diameter of under an inch, is rotated by machinery. The whirling diamonds wear and tear away the rock into small particles which are washed back to surface by water circulating through the drill. These small particles or sludge, are carefully collected and the depth from which they were worn is logged. They form a valuable check to the main product of the drill, the core.

Core Carefully Handled

The core is a tubular section of rock, an almost perfect cross-section of the earth's crust cut away by the diamonds on the rim of the drill. It is carefully collected into boxes which record the exact spot which it originally occupied in the geological structure of the property, and any bits which may have been lost or destroyed are carefully represented.

The core gives a picture of the mineral and geological set-up of the area being explored, which, of course, is limited by its size. The drill, however, performs an irreplaceable service in mining.

In certain areas of a camp or mine, surface work is either too expensive or impossible. In those parts underlying a muskeg or lake, the drill can be set up on the ice or frozen ground and put to work to explore the underlying rock. Where a heavy overburden hides the rock, it can be pierced by "sand-piping" and the diamond drill put to work when the rock is reached. Or, where a known ore-body has been offset by a fault, or when any other geological phenomena indicate the possible existence of ore hidden by intervening rock, the diamond drill cuts down expense that would otherwise be incurred exploring by underground tunnelling.

But, again, caution is necessary. Surface work and diamond drilling provide very limited clues to the real truth of the ore. Both processes are costly, and the amount that any mine can afford is limited.

A further phase in mining will be discussed next week.

Chromium Co. Optimistic Over Summer's Work

A. R. Globe, general manager of Chromium Mining & Smelting Corp., operating east of Lake Nipigon, in a progress report to shareholders, states that after completing a diamond drilling contract entered into in June of this year, the company has concluded that another lens has been encountered which, if similar to the original, would probably extend for another 600 or 700 ft. and double the tonnage formerly indicated. Mr. Globe informs shareholders that in addition to the property formerly held the company has secured 15 additional claims, making a total of 47 claims or about 1,900 acres. Progress has been made with regard to the location of a road from Collins to the property and it is stated that the City of Port Arthur is interested in completing a road. During the summer research work, smelting tests have been carried on by H. O. Symmes, of Niagara Falls, N.Y., preparatory to starting smelting operations later this month. A concentrating unit is now in operation in Niagara Falls, N.Y. Mr. Globe claims that the company has had enquiries from French, English and German sources regarding supplies of metal and products.

Siscoe Gold Mines Output Up in October

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines reports October production of gold at $180,004 compared with $175,602 in the previous month and with $161,029 in October, 1933. Mill tonnage in October established a new high record at 11,004 tons. This is in contrast with 10,554 tons in September—the previous high month. Mill heads averaged $16.89 for October, comparing with $17.19 in September, but the heavier tonnage resulted in increased production. In October, 1933, Siscoe mill tonnage was 9,533.

Report Harkness Hayes Already Planning Mill

From Our Own Correspondent

SUDBURY.—Officials of Harkness Hayes Gold Mines report excavation operations started for the construction of a small milling plant. It is stated the plans call for delivery of mill equipment this month. Work is also being started on the shoots and incline tramway. Development on the west side is proceeding, and it is planned to start another tunnel on the number three vein. It is stated a good tonnage of ore has been indicated, and it is hoped to provide enough millfeed for steady operations. The property has been worked at intervals for a number of years.

Mystery Cloaks Drill Core Assay For Scotia Gold

From Our Own Correspondent

WINNIPEG—"The mystery of the Scotia core" is intriguing mining men in both Manitoba and Ontario.

Scotia Gold Mines, formed in February of this year, has been spending the summer drilling its properties in the Beresford Lake area. Results were published from time to time indicating that values on the surface were continued at depth. Some time ago the company started negotiations with a Toronto firm for funds to bring the property into production. Supplied, as is customary, with only half the core, the eastern financiers requested the other half of the drill samples. These were quickly sent, and to the amazement of nearly everybody concerned, only one or two showed a trace of gold, the others none at all. Drill holes under an impartial referee were sunk close to the original holes, and showed in most cases nothing, or only a trace of gold.

An investigation on behalf of the company is being carried on by Don Birse, geologist. An effort was made by Birse to fly to the property this week, but though Lac du Bonnet was clear of ice, it had formed on the smaller lakes to an extent that landing would have been a risky proposition and the plane turned back.

W. R. Cottingham, K.C., head of the Manitoba Public Utility Board, has intimated the company will be given the opportunity to do its own investigating, at least at the start, and President Charles Hayles has promised nothing will be left undone to explain the discrepancies in values reported in the earlier assays of core drills and in the later assays.

NEED MORE WORK TO JUDGE MERIT OF STURGEON FIND

Dr. Bruce Refreshingly Moderate in Preliminary Report

Dr. E. L. Bruce, of Queen's University, has prepared a preliminary report on the Sturgeon River area for the provincial government, as the result of a four day visit to the area in September in company with the Provincial Geologist, H. C. Rickaby.

In view of the extravagant statements which have been made about this promising young area, the four page report is refreshingly matter of fact. In concluding it, Dr. Bruce states:

"So far as exploration has gone, the veins in which gold has been found in visible quantities are narrow. It seems possible, however, that in some there may be a sufficient quantity to make them workable in spite of the narrow widths of quartz. Sufficient work has not yet been done to determine the value of any of the discoveries, and thorough sampling will have to be done on all of them."

Apparently considering them the chief points of interest, the provincial party visited the Brookbank, under option to the Connell interests; Knox Claims, (K.L. Exploration Co.); Springer claims; Barnum Green, under option to Agaura Exploration Syndicate (U.S. Smelters) Wood-Brown Syndicate; Wood-Brown claims (Coniagas) and the Brennan Kenty claims.

Of all these activities, the concluding paragraph of the report, mentioned above would apply. All of these, Dr. Bruce states contain gold values. On all of them, however, considerably more work will have to be done before their value can be determined.

Copies of the preliminary report are available at the Ontario Department of Mines.

Sturgeon-Aurora Mines Acquires Rainbow Group

Owning a property which was worked to a certain extent over 20 years ago, Sturgeon Aurora Mines has been formed with an authorized capitalization of 100,000 shares of no par value of which 40,000 have been issued for properties.

The claims are situated in the north arm of Sturgeon Lake, about 14 miles south of Savant Station on the main Canadian National Railways line.

H. R. Bissell, M.Sc., under date of September 29, 1934, reports channel sample assays varying in value from $1.05 to $183.75 over widths varying from eight inches to 36 inches, gold at $35 per ton. This property was formerly known as the Rainbow property. Sturgeon Aurora Mines, which has an Ontario charter, is headed by Dix Rogers as president with Lauren D. Mayer as vice-president and Dr. C. Laverne Pattison and Oscar M. Trano directors. The head office of the company is at 710 Bank of Hamilton Bldg., Toronto.

Goldale Gets New Option on Birch Bay Properties

Over the signature of P. C. Finlay, secretary, shareholders of Goldale Mines are told that the share purchase and option agreement with Birch Bay Gold Mines entered into in July of this year, and under which $25,000 was paid and options obtained on the balance of the treasury shares of that company, has not been exercised. The decision to drop the option, Mr. Finlay states, followed exploration and development work including 1,500 ft. of diamond drilling, which did not prove satisfactory.

However, Goldale has entered into a new agreement with Birch Bay whereby Goldale makes an additional firm commitment of $12,000 and obtains options on the balance of the treasury stock of Birch Bay in consideration of new properties, which Birch Bay Gold has acquired the right to purchase, located 35 miles west of Port Arthur. Surface exploration is being carried on, on the new property and tenders have been called for a minimum of 2,000 ft. of diamond drilling on this property.

FORM COMPANY TO RENEW WORK ON RATY CLAIMS

Was Formerly Worked Under Option By Mining Corp.

Formation of Rickard-Ramore Gold Mines to acquire control of the Raty property in Rickard township, Beatty-Munro area, has just been announced. The new company has an authorized capitalization of 3,000,000 shares of which 1,500,000 were issued for the property, and held in escrow.

First discovered in 1916 by two Finnish prospectors, the property was worked by the Mining Corp. of Canada under a working option. A diamond drilling campaign was started and a shaft sunk on the vein to a depth of 100 ft. Owing, it is claimed, to disagreements between Mining Corp. and the vendors, operations were stopped and all equipment removed. Under the new company a plan for drilling 2,000 ft. has been made. It is also proposed to dewater the shaft and erect suitable buildings for winter operations, and then to sink a three-compartment shaft to 500 ft. with levels established at intervals of 125 ft. Operations will be under H. Hollands-Hurst, consulting mining engineer.

PURCHASE TERMS GIVEN APPROVAL BY SMELTER GOLD

Shareholders Sanction Acquisition of Koch-Daneff Claims

Shareholders of Smelter Gold Mines at a special general meeting approved the recommendation of the directors that the company take over from Hugh C. McRae, president, the option which he acquired on the Koch-Daneff property in the Sturgeon River area and sanction the incorporation of a new company with an authorized capitalization of 4,000,000 shares to develop the property. In addition to the option on the Koch-Daneff property, which comprises nine claims, the company also acquired title to a group of 18 claims which lie one claim east of the optioned property.

Under the terms of the agreement made with Mr. McRae, Smelter Gold Mines is to provide finances for development of the property and to assume the obligations of the option agreement with A. T. Koch and M. Daneff of Port Arthur. This involves a cash payment of $2,000, which has already been paid by Mr. McRae, a payment of $3,000 on Jan. 5, 1935; $15,000 on June 5, 1935; $15,000 on Nov. 5, 1935; and $15,000 on April 5, 1936. Messrs. Koch and Daneff are also to receive 300,000 shares in the company which is to be formed and which will be known as Koch-Daneff Gold Mines Ltd. In consideration of the option and the group of 18 claims Mr. McRae receives 1,000,000 shares in the new company.

Drill on Property

A drill has already been placed on the Koch-Daneff property and it is planned to proceed with diamond drilling at once in ore to determine the possibilities of the property. If developments prove unsatisfactory Smelter Gold Mines can at any time drop its option, and in the event of this any shares taken up by it must be turned over to Mr. McRae so that he can proceed with work on the property if he so desires.

In reply to a question from a shareholder as to the company's liquid position, Mr. McRae stated that cash on hand at the end of August amounted to $19,628. Stores on hand at the Manitoba property were valued at $22,086 and plant and equipment, at $14,000. A further $7,000 will be paid to the company under the terms of the option on the company's treasury stock. If the option on treasury stock is entirely taken up a total of $650,000 will be paid into the company's treasury by Sept. 10, 1936, the president said.

H. L. Donaldson, mine manager, reported that diamond drilling on the company's Manitoba property in the God's Lake area is proceeding. No commercial ore body has yet been disclosed.

A progress report which was read at the meeting states that drilling has been commenced on the Akers extension vein. Work is also continuing on No. 1 vein and on the vein on the Galena group. No. 1 vein has been traced some distance to the west of previous work and W. S. Hamilton, who is in charge of operations, recommends that further drilling be done where last uncovered.

The fault on No. 1 vein has not as yet been overcome. The vein encountered in deep drilling to the north is not believed to be the actual downward continuation of No. 1 vein, the report states. Work on the shaft has been discontinued and no further sinking will be done until No. 1 vein system is worked out by diamond drilling. Considerable high-grade ore, according to the report, was encountered in the shaft, but this proved to be of a spotty nature.

Lee Gold Reports Vein Picked Up on Two Levels

In a progress report issued over the signature of J. J. Byrne, president, Lee Gold Mines reports that the main shear zone was picked up on both the 125 ft. and 250 ft. levels since the May report, but to date lateral exploration has been confined to the vein system on the 125 ft. level. Where the crosscut encountered the vein at this level a shear zone about 14 ft. wide was exposed showing some mineralization but very little quartz and values were low. Driving west also showed low values for about 40 ft. when the drift entered high grade ore, the vein showing a total width of about 20 ft. About eight ft. of this consisted of quartz "heavily mineralized" and showing values of about $20 over drift width. Drifting was continued on the footwall of the vein and short crosscuts run across the vein at intervals. Work to date has shown an ore shoot about 100 ft. long which will average about six to eight ft. in width, Mr. Byrne states. It is now proposed to start drifting on the 250 ft. level to pick up the downward extension of the above mentioned ore.

The company announces acquisition of three groups of claims in the Sturgeon River area in which Lee Gold Mines holds a 50 per cent interest. A crew of six men is working on one of these groups and negotiations are in progress for the sale of the two other groups.

Atnel Lets Drill Contract for Michipicoten Property

Atnel Mines, with properties in the Michipicoten area of Ontario, announces that a diamond drill contract has been let to the Pearson Diamond Drill Co. of Sault Ste. Marie, Ont., for a series of holes to be drilled along the main vein. The company reports that a new vein was recently located and is now being stripped. Upon completion of the drilling on No. 3, the main vein, a series of holes will be put down on the new discovery. The company announces that a contract has also been let to build additional camps on the property.

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